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Firm: Deloitte & Touche

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**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.com.tw>

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# One Letter to Shareholders

## Dear Shareholders,

2011 was a successful year for Catcher Technology. Catcher Technology's commitment to technological development, product innovation, and product value for customers over the last few years has been reflected in its business performance. The annual revenue in 2011 was NT\$35.914 billion, a significant 64% growth compared to the previous year. The company made a profit of NT\$10.677 billion, exceeding the NT\$10 billion threshold for the first time and growing by more than 140% compared to the previous year. Both the company and the group reached historic records in terms of revenues and profits.

As consumer electronics such as mobile phones, notebooks, ultrabooks, and tablets become more of a fashion statement, designs that are thin and light, slim, sleek, and aesthetically oriented require more sophisticated processing techniques and surface treatments to bring the design concepts to life. The structure and design of the metal casing require a large degree of customization and mass production capacity. Meanwhile, it is necessary to integrate different production processes and advanced technologies. Catcher has been investing a lot of effort and resources, which have established the company as a trendsetter and industry leading supplier in terms of innovation, quality, yield, mass production capacity, and customized designs among the handful metal casing and inner components manufacturers in the world.

In addition to securing existing product lines and market share with a one-stop manufacturing process and technology, Catcher is actively engaged in the research and development of supplemental components and other advanced technologies with the aim to maintain its status as a leader in this industry. Furthermore, the introduction of new products, new materials, and new techniques will secure the company's advantage in materials and production of component parts. Catcher believes more efficient production and better organizational performance will help the company continue to deliver excellent results in the future.

## Financial performance

The consolidated revenue for the Catcher Group in 2011 was NT\$35.914 billion. The consolidated gross profit ratio for the group was 47%. The consolidated netprofit after tax was NT\$10.677 billion, and the basic earnings per share was NT\$14.93.

### Operation Results (Group)

Unit: in thousand NTD

Item	2011		2010	
	Amount	%	Amount	%
Operating revenues	35,913,842	100%	21,844,638	100%
Gross Profit	16,890,826	47%	7,752,763	35%
Operating income	13,213,277	37%	5,087,353	23%
Income before tax	13,705,148	38%	5,187,116	24%
Net income	10,677,233	30%	4,429,844	20%

### Profitability (Group)

Item		2011	2010
Return on assets		15%	8%
Return on equity		24%	14%
Percentage of capital	Operating income	176%	77%
	Income before tax	183%	78%
Net income to sales		30%	20%
EPS (NTD)		14.93	6.66

## **Research and Development**

To develop more advanced technologies on an ongoing basis in order to maintain the company's leading position has been a top priority for years. By calling on its rich experience in basic material science and surface physical/chemical treatments, Catcher takes different materials and their corresponding molding processes in combination with a variety of secondary processing and surfacetreatments in a multilayer, multidirectional approach to create premium quality products and an in-house technical platform with high precision, high add value, and high mass production capacity.

The current directions in research and development include special magnesium alloys, aerospace aluminum alloys, stainless steel casing and laser engraving of components or seamless welding, metal/plastic injection mold techniques, etching and multicolor surface treatment techniques, and high precision extrusion techniques for large metal casing. The company also invests a lot of effort in extending the reach into other niche products on which the existing production technology can be applied to diversify the products and production processes. The latest research results included vacuum sputtering using aluminum alloy at low temperature, stainless steel injection fitting with plastic for mobile phones, metal injection bezel with surface treatment by vacuum sputtering, notebooks, premium metal texture for mobile phones and plastic injection fitting in combination with a variety of aesthetics treatment components, notebooks, mobile phone etching, multicolor 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 continue to strengthen the competitive advantage in the core industries and use advanced materials and designs and technological process innovation as well as the massive economy of scale to form an even larger competitive advantage and maintain large profits.

To invest in automated production processes to reduce labor costs and enhance productivity and quality. To actively achieve human resource optimization and accumulate momentum for progress. To continue to develop the application market for core products and technologies in order to boost the company's growth momentum and reduce the impact of volatility in any single market.

Issues of environmental protection regarding the factories and production processes at certain plants in Suzhou last year dampened the overall growth momentum. However, as the company quickly responded and adapted, the impact on the business had been reduced to a minimum. In addition to increasing production capacity in the coming year, the company will properly diversify its production capacity to achieve optimal allocation.

## **Important sales policies**

To continue to increase capacity at a steady pace to meet customer demands, and to gradually implement a standardized management model to provide the fastest sales support for the customers. The designs of sales, manufacturing, and R&D departments will be modified to be closer to the customers with the aim to progress at the same pace as the customers in order to achieve instant customer services.

## **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 its 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 lifting them onto higher levels to secure and stabilize sources of profits. Excellent production techniques will be utilized to provide premium customer services in order to strengthen mutually beneficial 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 Technology will be on smartphones, ultrabooks, notebooks, tablets, and other consumer electronics.

With respect to the overall mobile phone market, the research agency IDC pointed out that there were 1.554 billion mobile phones in 2011, an increase of 9.5% compared to 1.419 billion mobile phones in 2010. The figure will grow to 1.68 billion mobile phones in 2012 at an annual growth rate of 8%. There will be 1.924 billion mobile phones in 2014. Compared to the mild market growth as a whole, smartphones has maintained a relatively strong growth, 494 million phones in 2011, 304 million in 2010 at a growth rate of 62%, and 659 million in 2012 at a growth rate of 33%. The figure will reach 922 million mobile phones in 2014, with a compound annual growth rate exceeding 30%. The unit price is high for smartphones and there is a trend leaning toward large screen. As a result, the demand for metal casing will get stronger, which will help the company grow in this field.

With respect to personal computers, the industry research agency IDC estimated the sales of personal computers in 2011 will be 350 million sets, an annual growth rate of 3% compared to 340 million sets in 2010. The figure will increase to 353 million sets in 2012 at an annual growth rate of 1%. Then the figure will continue to increase to 368 million sets in 2014 when the entire personal computer market will start reaching maturity.

In terms of product category, the sales of notebooks in 2011 will reach 208 million sets worldwide at an annual growth rate of 3.8% compared to 200 million sets in 2010. The figure will increase to 214 million sets in 2012 at an annual growth rate of 3.1%. Then the figure will continue to increase to 228 million sets in 2014 and maintain a single digit growth every year thereafter. Notebook related products remained one of the largest sources of revenue for the company. Although it is a mature product line, there is still room for growth each year. The added bonus of increasing penetration of metal component parts also helps the company achieve further growth in the field.

Compared to the stable growth in mobile PC, an industry research agency estimated the sales of tablet products in 2011 would reach 64 million sets, a significant growth compared to 18 million sets in the previous year. The figure will grow by 39% to 91 million sets in 2012, and then close to 115 million sets in 2013. Furthermore, the ultrabook or ultra thin notebook was another star product. An IDC report showed the sales in 2011 were 2 million sets, which was expected to grow to 25 million sets in 2012 and then 95 million sets in 2015. Ultrabooks will be the product with the fastest growth in the notebook market in the next few years. Since the need for component protection is stronger for tablets and ultrabooks than for other products, the penetration of metal components is even more apparent in this field. It is an even better stage to showcase Catcher's products, technologies, and production capacity, and is expected to be an important source of growth in the future.

With respect to other consumer electronics, the focus remained on MP3/4 and digital cameras. In particular, for digital cameras, the sales remained between 120 million and 160 million sets in the last few years, and are expected to be around 123 million sets in 2012. The total market share of the top five brands will grow from 64% in 2010 to 69% in 2012. It is anticipated that future competition will focus on product uniqueness and differentiation, which will help high level metal components increase visibility in this product category and the company

expand its territory in digital cameras.

Looking forward to 2012, smartphones, tablets, and ultrabooks will continue to experience fastgrowth and the metal penetration rate in notebooks will increase, both expected to drive growth in the metal component industry. Catcher will continue to develop special production processes, techniques, and materials in combination with the existing production techniques to keep strengthening the complete production matrix, which will enable the company to remain a leading manufacturer in metal casing and inner components worldwide and a major supplier that can meet customer requirements. In terms of sales forecast, although differences in product specifications and sizes and diversification of materials and processing techniques render the company's forecast of metal component sales meaningless, the goal for Catcher is still to be committed to outperforming the average industry growth in the future.

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

Chairman Allen Hung



## **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°C.
- 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 DNV I 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 November, the convertible bond transferring to common shares amounted to US\$ 1,500 thousand, with the convertible price NT\$105. In total, the paid in capital achieved NT\$1,881,469 thousand including additional 488,100 common shares issuance.
- The subsidiary in China ramped up the capacity, which significantly 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 earnings 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 Qualified Overseas IPO of Top 10 Subsidiary Company in China” of the “Business Groups in Taiwan” published by China Credit Information Service.
- Capitalization from retained earnings 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 earnings 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.

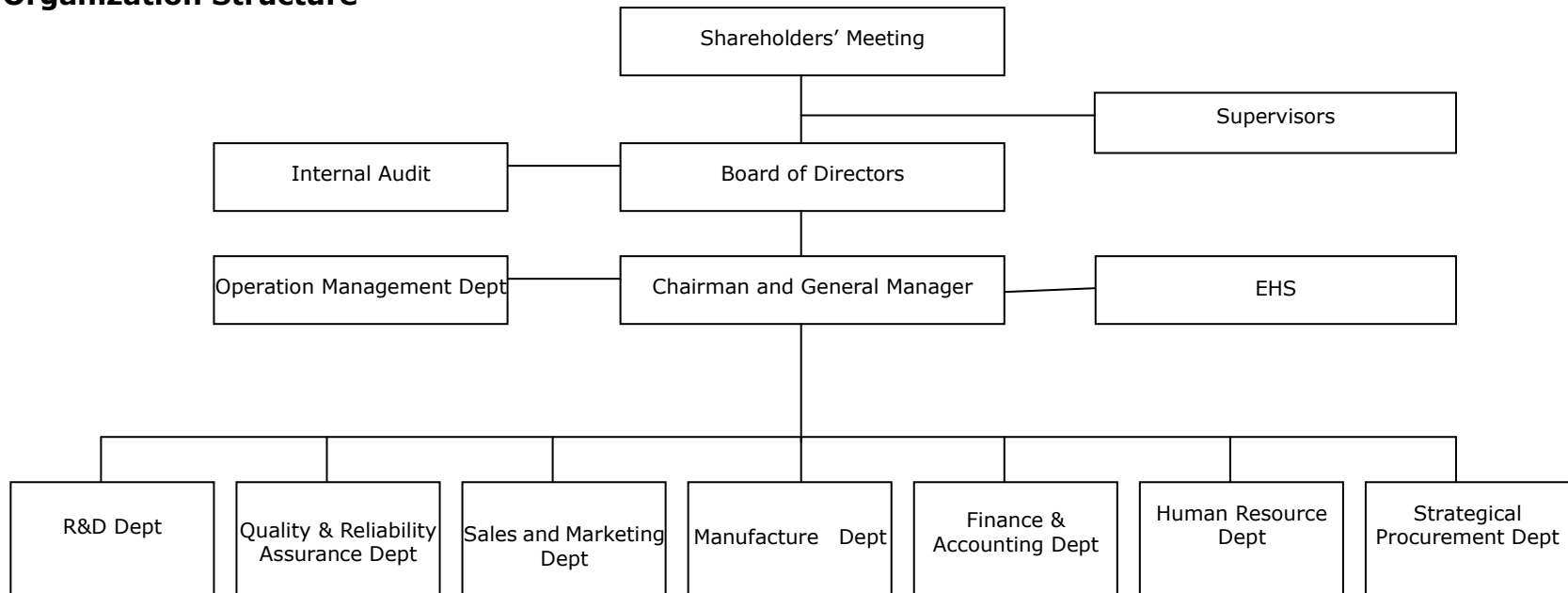
The Company bought in a building located at No. 500, section 2, Bentian Rd. To comply with the expansion plan of corporate operation and China's preferential policy for foreign investment, Catcher set up Catcher Technology (Suqian) Co., Ltd. in China.

- 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 Design of Smartphone business, expanded the CNC capacity, and became one of the leading casing company with meaningful CNC capacity.  
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 According to the Group's expansion plans, Catcher set up VITO Technology (Suqian) Co., Ltd. which was approved by the Investment Commission.  
The world's quickly growing Top 1000 enterprises Award by International Business Times.

## 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

2012/03/31; Unit: share

Title	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	Relationship
Director	Kai-Yi Investment Co., Ltd.	2009.06.26	3	52,917,154	7.05 %	58,208,869	7.76 %	—	—	—	—	—	—	—	—	—
Representative of Director	Allen Hung	2009.06.26	3	104,395	0.01 %	704,834	0.09 %	4,511,713	0.6 %	—	—	Medical School / National Taiwan University Doctor / Chang Gung memorial Hospital	Chairman & General Manager of Catcher Chairman & Director representative of Catcher's subsidiaries Director & Chairman of Kai-Yi Investment Co., Ltd Director Representative of Epileds Tech., Inc. Director representative of Yi Kang Health management Co., Ltd	Supervisor	Janice Lin	Spouse
Representative of Director	Michael Yeh	2009.6.26	3	100,540	0.01 %	75,549	0.01 %	—	0.00 %	—	—	Vice President of Catcher Technology (Suzhou) Co. Ltd.	Vice President of Catcher Technology Co. Ltd. Director representative of LEO Co.Ltd.	—	—	—
Director	William Yang	2009.06.26	3	132,545	0.0 %	131,799	0.0 %	—	0.00 %	—	—	Department of Economics in National Taiwan University Chairman of TCI Co., Ltd.	Chairman of TCI Co., Ltd.	—	—	—
Director	Tsong-Juu Liang	2009.06.26	3	1,997	0.0 %	12,196	0.0 %	8,000	0.00 %	—	—	P.H.D. of computer and electrical engineering in University of Missouri-Columbia	Professor of department of Electrical Engineering in National Cheng Kung University	—	—	—
Director	Ming-Long Wong	2009.06.26	3	-	-	-	-	—	0.00 %	—	—	Finance P.H.D. University of New York City	Professor of department of Accounting and Finance in National Cheng Kung University	—	—	—
Supervisor	Janice Lin	2009.06.26	3	4,972	-	3,409,961	0.45 %	1,806,586	0.24 %	—	—	Master of Tsukuba University Lecturer of Private Tainan Junior College of Home Economics EMBA in Cheng Kung University	Director of Kai-Yi Investment Co., Ltd.	Chairman	Allen Hung	Spouse
Supervisors	Wen-Chieh Huang	2009.06.26	3	7,881	0.0 %	8,669	0.0 %	—	0.00 %	—	—	Master of Architecture, Tamkang University Lecturer in Feng Chia University	Chairman of Wen-Chieh Huang architect firm	—	—	—
Supervisor	Jiunn-Rong Chen	2009.06.26	3	-	-	-	-	300	0.00 %	—	—	The Doctor of Shin Kong Hospital Master of Public Health, Johns Hopkins University	Vice president and the doctor of Changhua Christian Hospital, Yunlin Branch	—	—	—

## **List of Institutional Shareholders of Major Shareholders**

2012/03/31

Institutional shareholders	Major shareholders of institutional Shareholders	Holding percentage
Kai-Yi Investment Co., Ltd.	Allen Hung	20%
	Janice Lin	20%
	I-Ting Hung	15%
	Wei-Rou Hung	15%
	Chong-Kai Hung	15%
	Wei-Shiou Hung	15%

## **Directors' and Supervisors' Professional Knowledge and Independence Information**

Name	Criteria	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 Kai-Yi Investment Co., Ltd. Representative: Allen Hung		---	---	Yes	--	--	--	--	--	V	V	--	V	--	---
Director Kai-Yi Investment Co., Ltd. Representative: Michael Yeh		---	---	Yes	--	--	V	V	--	V	V	V	V	--	---
Director William Yang		---	---	Yes	V	V	V	V	V	V	V	V	V	V	---
Director Tsorng-Juu Liang	Yes	---	---	Yes	V	V	V	V	V	V	V	V	V	V	1
Director Ming-Long Wang	Yes	---	---	Yes	V	V	V	V	V	V	V	V	V	V	2
Supervisor Janice Lin		---	---	Yes	--	--	--	--	--	V	V	--	V	V	---
Supervisor Wen-Chich, Huang	Yes	---	---	Yes	V	V	V	V	V	V	V	V	V	V	---
Supervisor Jiunn-Rong Chen	Yes	---	---	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

2012/03/31; 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
General Manager	Allen Hung	1988.02.02	704,834	0.09%	4,511,713	0.6 %	—	—	Medical School / National Taiwan University Doctor / Chang Gung memorial Hospital	Chairman & General Manager of Catcher Chairman & Director representative of Catcher's subsidiaries Director & Chairman of Kai-Yi Investment Co., Ltd Director Representative of Epileds Tech., Inc. Director representative of Yi Kang Heath management Co., Ltd	Supervisor	Janice Lin	Spouse
Vice President	Kenny Chien	2010.01.01	110	0.00%	0	0.00%	—	—	EMBA/Fudan University Assistant general manager / Dell Inc., Taiwan	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	Director representative of SIN-HER Technology Co., Ltd Supervisor representative of Gongcheng Precision Co., Ltd.	—	—	—
Vice President	Michael Yeh	2010.01.05	75,540	0.01%	0	0.00%	—	—	Electrical Engineering Department / Nan-Tai University Vice President / Catcher Technology (Suzhou) Co., Ltd.	Director representative of LEO Co. Ltd	—	—	—
Assistant Vice President	Frank Lee	2010.02.01	5,000	0.00%	0	0.00%	—	—	Scientific PHD / Ching Hua University R&D manager / Catcher Technology Co., Ltd.		—	—	—
Assistant Vice President	Brian Lee	2010.02.01	0	0.00%	31,985	0.00%	—	—	Mechanism / National Taipei University of Technology Manager/ Catcher Technology (Suzhou) Co. Ltd.		AVP	Irene Lin	Spouse
Assistant Vice President	Andy Feng	2010.05.31	0	0.00%	0	0.00%	—	—	MBA / National Taiwan University Manager / Synaptics Taiwan				
Assistant Vice President	Irene Lin	2005.02.01	31,985	0.00%	0	0.00%	—	—	St. Cloud State MBA Specialist / Universal Scientific Industrial Co., Ltd.	Supervisor representative of I-catcher Optoelectronics Co. Supervisor representative of Amity Capital Inc. Director representative of Gongcheng precision Co., Ltd.	AVP	Brian Lee	Spouse
Assistant Vice President	Amy Chen	2011.11.01	122,234	0.02%	0	0.00%	—	—	EMBA / Nan-Tai University	Director representative of I-catcher Optoelectronics Co. Director representative of Epileds Tech., Inc. Director representative of Kryoko Co., Ltd Director representative of Amity Capital Inc.. Director representative of Cetus International Co., Limited			



**(3) The Compensation of Directors, Supervisors, and Managers**  
**A. Director's Compensation**

2011/12/31;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)				
		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					
Chairman	Kai-Yi Investment Co., Ltd.	0	0	0	0	2,335	2,335	906	906	0.03%	0.03%	5,136	5,136	134	134	26,144	0	49,815	0	None	None	0.32 %	0.55%	None
Chairman & Director Representative	Allen Hung																							
Director	Kai-Yi Investment Co., Ltd.																							
Director Representative	Michael Yeh																							
Director	Tsorng-Juu Liang																							
Director	Ming-Long Wang																							
Director	William Yang																							

Note1: Distributed earnings of 2009 have not been approved by shareholders' meeting as at printing date. Thus employee bonus was 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 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	Michael Yeh/ William Yang/ Ming-Long Wang/Tsorng-Juu Liang/ Kai-Yi Investment Co., Ltd.	Michael Yeh/ William Yang/ Ming-Long Wang/Tsorng-Juu Liang/ Kai-Yi Investment Co., Ltd.	William Yang/ Ming-Long Wang/Tsorng-Juu Liang/ Kai-Yi Investment Co., Ltd.	William Yang/ Ming-Long Wang/Tsorng-Juu Liang/ Kai-Yi Investment Co., Ltd.
NTD 2,000,000(included)~5,000,000 (excluded)				
NTD 5,000,000(included)~10,000,000 (excluded)			Michael Yeh	Michael Yeh
NTD 10,000,000(included)~15,000,000 (excluded)				
NTD 15,000,000(included)~30,000,000 (excluded)			Allen Hung	Allen Hung
NTD 30,000,000(included)~50,000,000 (excluded)				
NTD 50,000,000~100,000,000 (excluded)				
NTD 100,000,000 or More				
Total				

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

### **B. Supervisors' Compensation**

2011/12/31; Unit: thousand NTD

Title	Name	Compensations						Total A,B,C as % of EAIT		Remuneration received by investing business other than company subsidiaries
		Remuneration (A)		Remuneration from distributed earning (B) (Note 1)		Business implementation expenses (C )				
		Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	
Supervisor	Jia-Wei Investment Co., Ltd.	0	0	750	750	414	414	0.01%	0.01%	None
Supervisor representative	Janice Lin									
Supervisor	Jiunn-Rong Chen									
Supervisor	Wen-Chieh Huang									

Note1: Distributed earnings of 2009 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 supervisors	Name of supervisors	
	Total Remuneration (A+B+C)	
	Catcher	All consolidated entities
Less than NTD 2,000,000	Janice Lin/ Jiunn-Rong Chen / Wen-Chieh Huang	Janice Lin/ Jiunn-Rong Chen / Wen-Chieh Huang
NTD 2,000,000(included)~50,000,000(excluded)		
NTD 5,000,000(included)~10,000,000(excluded)		
NTD 10,000,000(included)~15,000,000(excluded)		
NTD 15,000,000(included)~30,000,000(excluded)		
NTD 30,000,000(included)~50,000,000(excluded)		
NTD 50,000,000(included)~100,000,000(excluded)		
NTD 100,000,000 or More		
Total		

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

### **C. Managers' Compensation**

2011/12/31; 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		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		Catcher	All consolidated entities	Catcher	All consolidated entities	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends					
GM	Allen Hung	9,176	16,575	431	431	1,957	2,898	36,475	0	93,042	0	0.45%	1.06%	0	0	None.
Vice President	Kenny Chien															
Vice President	James Wu															
Vice President	Michael Yeh															
Vice President	Y.C. Huang															
Vice President	C.M. Chen															

Note1: Distributed earnings of 2009 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: Y.C. Huang, K.M. Wu, J.L. Kao are Vice Presidents of subsidiaries, are each assigned with a company vehicle at value of RMB\$290 thousand as at 2009.12.31.

Note3: C.M. Chen, vice President of subsidiaries, is assigned with a company vehicle at value of RMB\$410 thousand as at 2011.12.31.

Note4: 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)		
NTD 5,000,000(included)~10,000,000(excluded)	James Wu/ Kenny Chien/ Michael Yeh	James Wu/ Kenny Chien/ Michael Yeh
NTD 10,000,000(included)~15,000,000(excluded)	Allen Hung	C.M. Chen
NTD 15,000,000(included)~30,000,000(excluded)		Y.C. Huang
NTD 30,000,000(included)~50,000,000(excluded)		Allen Hung
NTD 50,000,000(included)~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

### **D. Managers' Bonus**

2011/12/31; Unit: thousand NTD

	Title	Name	Stock dividends bonus Market value (Note 1)	Cash dividends bonus	Total	% of income after tax
Managers	General Manager	Allen Hung	0	52,640	52,640	0.49%
	Vice President	Kenny Chien				
	Vice President	James Wu				
	Vice President	Michael Yeh				
	Assitant Vice President	Frank Lee				
	Assitant Vice President	Brian Lee				
	Assitant Vice President	Amy Chen				
	Assitant Vice President	Shaokang Hu				
	Assitant Vice President	Irene Lin				
	Assitant Vice President	Andy Feng				

Note1: Distributed earnings of 2009 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, Supervisors, and Managers in the Past Two Years**

##### **A. Analysis of remuneration as a percentage of income after tax for directors, supervisors, and managers.**

Title	Item	% of income after tax				% of increase (decrease)	
		2011		2010			
		Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated
	Director						
	Supervisor	0.49%	1.10%	0.91%	2.53%	- 0.4%	- 1.4%
	General Manager & Vice Presidents						

Note: Distributed earnings of 2009 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 11 (A), attendance of each director is listed as follows :

Title	Name	Attendance (B)	Proxy Attendance	Attendance rate (%) (B)/(A)	Remarks
Director Representative	Kai-Yi Investment Co., Ltd.: Allen Hung	11	0	100	
Director Representative	Kai-Yi Investment Co., Ltd.: Michael Yeh	4	0	36.4	2011/8/1 on board. Real attendance rate is 100%
Director	William Yang	8	0	72.7	
Director	Tsornng-Juu Liang	10	0	90.9	
Director	Ming-Long Wang	10	0	90.9	
Note: Original representatives of Kai-Yi Investment Co. Ltd is Allen Hung & David Hung. From 2011/8/1, new representatives are Allen Hung & Michael Yeh.					

#### (2) Information Regarding Audit Committee or Supervisors' Operation

##### A. Catcher did not establish an audit committee

##### B. The state of supervisors' participation to the board meetings

Number of meetings 11 (A), attendance of each supervisors is listed as follows

Title	Name	No. of times attended in person (B)	Attendance rate (%) (B)/(A)	Remark
Supervisor Representative	Jia-Wei Investment Co., Ltd.: Janice Lin	4	36.4	2011/4/28 Resignation
Supervisor	Janice Lin	4	36.4	2011/6/24 on board. Real attendance rate is 80%
Supervisor	Wen-Chieh Huang	6	54.5	
Supervisor	Jiunn-Rong Chen	2	18.2	2011/6/24 on board. Real attendance rate is 40%
The responsibilities and organization of supervisors:				

- 1.Communication channel between supervisors and the Company's employees and shareholders:  
In addition to Board and Shareholders' meetings, a supervisor may individually investigate the business and financial conditions of the Company at any time.
- 2.Communication channel between supervisors and the Company's internal audit manager and independent accountant:  
At any time, a supervisor may communicate with the Company's internal audit manager and independent accountant.

### (3) Corporate Governance Practices

Items	Current Status	The Reasons for the differences between the Company's governance and recognized corporate governance
1. Corporate Shareholder Structure and Shareholders' rights		
(1) How the Company handles shareholders' recommendations or disputes:	The Company has designated the spokesman / deputy spokesman/ IR and specific persons to handle shareholders' recommendations or issues	No specific difference
(2) How the Company regularly monitors the list of key shareholders who have management control of the Company, or those who have ultimate control of key shareholders:	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.	No specific difference
(3) How the Company establishes proper risk control mechanisms and firewalls between the Company and its affiliated enterprises:	Catcher has set up an "Affiliated Management Policy" which rules risk control mechanisms and firewalls between the Company and its affiliated.	No specific difference
2. Structure and Responsibilities of the Board:		
(1) Independent directors on the Company's Board	Not yet been established. However, two directors are qualified as independent director.	No specific difference
(2) How the Company periodically evaluates the independence of its auditors	The Company's has periodically evaluated the independence of its auditors	No specific difference
3. The Communication channel for its Stakeholders	The Company has designed specific personnel and established an email address to handle stakeholders' concerns.	No specific difference
4. Information disclosure		

Items	Current Status	The Reasons for the differences between the Company's governance and recognized corporate governance
(1) How the Company establishes a website to disclose financial and corporate governance information:	Catcher's website: <a href="http://www.catcher.com.tw">http://www.catcher.com.tw</a> . The Company regularly publishes up-to-date detailed financial information on its website.	No specific difference
(2) Other channels for the disclosure of the Company's information:	Catcher has designated spokesman and deputy spokesman as required by regulations. Also, the Company designated IR & specific personal to collect and disclose information about the Company on the MOPS.	No specific difference
5.The operation of functional committee work within the Board of Directors of the Company	Catcher has established the Compensation Committee.	Catcher will establish related functional committee according to the Article of Memorandum
6. The comparison between the Company's corporate governance mechanism and the recognized corporate governance principles:		
(1) The Company focuses on enhancing corporate governance and actively strengthening the authority of the Board, exalting the function of supervisors, respecting the rights of related parties, and improving corporate transparency to protect shareholders' interest. (2) The Company set up internal control policy and internal auditors perform according to the policy. Internal audits also exercise the audit periodically. (3) In conclusion, the Company complies with relative laws and regulations to elaborate the spirits of corporate governance mechanism.		
7. Other information disclosures:		
(1) Catcher commits itself to uphold the welfare of its employees complying with relevant regulations. (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) The status of the Company to establish training programs for its board members and Supervisors: The board members and supervisors all have industrial and professional knowledge. Besides, Catcher provides training programs to directors and supervisors. They also attend related programs by their desires. (6) Status of the Company to establish a risk management policy and standards for evaluating risk and implementing its risk management policy: The Company holds board meeting at least once per quarter, and the board evaluates the Company's business operation and risk management status periodically. (7) Status of liability insurance of the Company's board members and supervisors: Catcher has purchased the D&O insurance for its board members.		
8. The result, material deficiency (or suggestion) and improvement of corporate governance assessed by internal audit or professional institutions:		
None		



#### **(4) Composition, Responsibilities and Operations of Compensation Committee**

The board approves the article of C and set up the committee with the responsibilities related to the Company's compensation and benefits policies, plans and programs, and in the evaluation and compensation of the Company's directors, supervisors, executives, and together with the other matters appointed by board.

The Compensation Committee is comprised of no less than three members. One of them will be elected to be the chairperson and represent the committee. As of today, this committee functions well.

#### **(5) The Company's Policy and Efforts to be Socially Responsible**

A. Based on the idea of environment protection, Catcher not only continues in promoting and producing environmental production processes and products, but also establishes managerial approaches in recycling disposals and preventing pollutions. Catcher also focuses on the employees' education of occupation safety and environment protection. Nowadays, Catcher has been honored with ISO9000 and carried out ISO14001 and OHSAS 18001(TOSHMS) as well.

B. Since established, Catcher keeps doing its best on society responsibilities. As a result, Catcher established a foundation to participate the social contribution and service providing scholarship to students and funds to health care organizations.

#### **(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.

#### **(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 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**

2012/03/07

The internal control self-assessment of Catcher Technology Co., Ltd. was conducted for the year ended December 31, 2011 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 7th, 2012, with none of the five attending directors expressing dissenting opinions on the content of the Statement.

**Catcher Technology Co., Ltd.**

Chairman and President : Allen 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
2011.06.24	2011 Annual shareholders' meeting	<ul style="list-style-type: none"><li>To raise funds through issuing new shares, CB or ECB (BOD proposed)</li><li>To elect the Company's supervisor vacancy (BOD proposed)</li></ul>	All discussion items were unanimously agreed upon the resolutions by all attending shareholders

#### B. Board Meetings

Date	Agenda	Resolution
2011.01.25	<ul style="list-style-type: none"><li>To admit the Acquisition of real estate.</li></ul>	All attending directors unanimously agreed, no other special proposals were proposed.
2011.02.25	<ul style="list-style-type: none"><li>To admit 2010 Business Report and Financial Statements.</li><li>To approve the proposal for distribution of subsidiaries' retained earnings</li><li>To approve the date of 2010 regular shareholders' meeting.</li><li>To approve the Statement of Internal Control</li><li>To elect the Company's supervisor vacancy</li></ul>	All attending directors unanimously agreed, no other special proposals were proposed.
2011.04.06	<ul style="list-style-type: none"><li>To discuss the record date for the conversion of 1st domestic CBs.</li><li>To discuss the extension of issuing new shares or 2nd domestic CBs/ECBs for raising working capital.</li></ul>	All attending directors unanimously agreed, no other special proposals were proposed
2011.04.14	<ul style="list-style-type: none"><li>To apply the increase of investment for three China subsidiaries for capex and demand of working capital.</li></ul>	All attending directors unanimously agreed, no other special proposals were proposed
2011.05.06	<ul style="list-style-type: none"><li>To distribute 2010 earnings.</li><li>To approve the shareholder's proposal for 2011 regular shareholders' meeting.</li><li>To elect the Company's supervisor vacancy</li><li>To discuss the plan of issuing new shares or CBs/ECBs for raising working capital.</li><li>To approve the agenda of 2011 Regular shareholder's meeting.</li></ul>	All attending directors unanimously agreed, no other special proposals were proposed.
2011.06.01	<ul style="list-style-type: none"><li>To discuss the issue Price and Units for GDR.</li><li>To discuss the date of the issuance for GDR</li><li>To adjust the retain shares reserved for CB/ECB.</li></ul>	All attending directors unanimously elected Allen Hung as chairman.

	<ul style="list-style-type: none"> <li>● To discuss the record date of conversion for 1st domestic CBs/ECBs.</li> </ul>	
2011.07.25	<ul style="list-style-type: none"> <li>● To approve 2011 H1 Financial Statements.</li> <li>● To discuss the record date for stock dividend and cash dividend.</li> <li>● To discuss the adjustment of Conversion Price, and Book closing date for CB</li> </ul>	All attending directors unanimously elected Allen Hung as chairman.
2011.10.02	<ul style="list-style-type: none"> <li>● To discuss the record date for the conversion of 1st domestic CBs.</li> <li>● To discuss the record date for the conversion of 2nd domestic CBs.</li> <li>● To amend the Company's "Acquisition or Disposal of Assets Procedure"</li> <li>● To adjust the use of fund for the issuance of GDR.</li> </ul>	All attending directors unanimously agreed, no other special proposals were proposed.
2011.12.23	<ul style="list-style-type: none"> <li>● To discuss 2012 business plan.</li> <li>● To discuss 2012 annual audit plan for Catcher and its subsidiaries.</li> <li>● To discuss the establishment of Compensation Committee and appointed committee members.</li> <li>● To discuss the plan to indirectly invest USD 99,000 thousand in VITO Technology (Suqian) Co. Ltd. in China.</li> <li>● To release the non-competition restriction to the Company's directors and managers.</li> <li>● To discuss the record date for the conversion of 1<sup>st</sup> &amp; 2<sup>nd</sup> domestic CBs.</li> </ul>	All attending directors unanimously agreed, no other special proposals were proposed.
2012.03.07	<ul style="list-style-type: none"> <li>● To admit 2011 Business Report and Financial Statements.</li> <li>● To approve the proposal for distribution of subsidiaries' retained earnings</li> <li>● To approve 2012 regular shareholders' meeting date.</li> <li>● To elect Board of Directors and supervisors</li> <li>● To release the non-competition restriction to the Company's directors and its representatives.</li> <li>● To discuss the policy, standard of bonus and remuneration.</li> <li>● To discuss the record date for the conversion of 1<sup>st</sup> &amp; 2<sup>nd</sup> domestic CBs.</li> <li>● To amend the Company's "Regulations Governing Establishment of Internal Control Systems by Public Companies"</li> <li>● To amend 2012 audit plan for Catcher and its subsidiaries.</li> <li>● To approve the 2011 Statement of Internal Control</li> <li>● To amend the Company's "Rules of Procedure for Shareholders Meetings"</li> <li>● To amend the Company's "Acquisition or Disposal of Assets Procedure"</li> </ul>	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**

Units: thousand NTD

Name of the accounting Firm	Name of the accountant	Audit period	Note
Deloitte & Touche	Hung Ju Liao, Chi Chen Lee	2011	-

Item Fee ranges		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. The company does not replace its certified public accountant within the last two fiscal years or any subsequent interim period.**

- 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	2011		As at 2012/03/31	
		Change in Equity Interest	Pledge in Equity Interest	Change in Equity Interest	Pledge in Equity Interest
Entity Director and Supervisor	Kai-Yi Investment Co., Ltd.	0	0	0	0
Director and Chairman	Allen Hung	0	0	0	0
Director	William Yang	-14,000	0	0	0
Director	Tsorng-Juu Liang	0	0	0	0
Director	Ming-Long Wang	0	0	0	0
Supervisor	Janice Lin	3,004,492		0	
Supervisor	Wen-Chieh Huang	0	0	0	0
Supervisor	Jiunn-Rong Chen	0	0	0	0
Vice President	Kenny Chien	0	0	0	0
Vice President	James Wu	0	0	0	0
Vice President	Michael Yeh	-20,000	0	-10,000	0
Assistant Vice President	Frank Lee	-18,000	0	-7,000	0
Assistant Vice President	Amy Chen	0	0	0	0
Assistant Vice President	Irene Lin	-44,000	0	0	0
Assistant Vice President	Andy Feng	0	0	0	0
Manager	Charlie Chiang	0	0	0	0
Manager	Shaokang Hu	0	0	0	0

### (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. (Under ROC SFAS No. 6)

2011/9/21

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. Representative:  Allen Hung	58,208,869	7.76%	-	-	-	-	Janice Lin	Spouse	
	704,834	0.09%	6,389,836	0.85%	-	-			
Jia-Wei Investment Co., Ltd. Representative;  Janice Lin	49,277,885	6.57%	-	-	-	-	Allen Hung	Spouse	
	3,409,961	0.45%	3,684,709	0.49%	-	-			
Cathay Life Insurance Co., Ltd	16,539,002	2.20%	-	-	-	-	-	-	
Citi as directed trustee Government of Singapore Investment Corporation	14,860,711	1.98%	-	-	-	-	-	-	
New Labor Pension Fund	14,432,000	1.92%	-	-	-	-	-	-	
Citi as directed trustee Government of Citigroup Global Markets account	14,388,100	1.92%	-	-	-	-	-	-	
JPMorgan Chase Bank, Taipei Branch in Custody for Copthall Mauritius Investment Limited	14,342,000	1.91%	-	-	-	-	-	-	
JP Morgan Chase as directed trustee for Catcher GDR	11,153,305	1.49%	-	-	-	-	-	-	
Old Labor Pension Fund	10,568,000	1.41%	-	-	-	-	-	-	
Citi as directed trustee Government of Kuwait Investment Office investment account	8,876,300	1.18%	-	-	-	-	-	-	

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  
2012/04/02

Type of shares	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Shares	750,691	249,309	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 1 <sup>st</sup> 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 1 <sup>st</sup> 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

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

### C. Information of Shelf Registration System: None

#### (2) Status of Shareholders

Par Value: NT\$10 per share: 2011/9/21

Structure Number	Government Agencies	Financial Institutions	Other Domestic Institutions	Domestic Individuals	Foreign Institutions & Individuals	Total
Numbers of Shareholders	1	21	371	37,283	950	38,626
Shareholding (Shares)	5,023,000	21,702,533	213,225,654	120,184,886	390,103,632	750,239,705
Holding Percentage (%)	0.67%	2.89%	28.42%	16.02%	52%	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; 2011/9/21

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Holding Percentage%
1-999	11,214	2,812,522	0.37%
1,000-5,000	22,737	42,008,462	5.60%
5,001-10,000	2,077	15,853,339	2.11%
10,001-15,000	664	8,291,798	1.11%
15,001-20,000	369	6,621,084	0.88%
20,001-30,000	323	8,150,320	1.09%
30,001-40,000	170	5,963,590	0.79%
40,001-50,000	104	4,818,587	0.64%
50,001-100,000	289	21,366,049	2.85%
100,001-200,000	236	34,252,922	4.57%
200,001-400,000	178	49,819,309	6.64%
400,001-600,000	93	45,391,075	6.05%
600,001-800,000	29	20,271,816	2.70%
800,001-1,000,000	35	30,756,685	4.10%
Above 1,000,001	108	453,862,147	60.50%
Total	38,626	750,239,705	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, 2011/09/21

Shareholder's Name	Shares	Common Shares	(%) of Shareholding
Kai-Yi Investment Co., Ltd		58,208,869	7.76%
Jia-Wei Investment Co., Ltd.		49,277,885	6.57%
Cathay Life Insurance Co., Ltd		16,539,002	2.20%
Citi as directed trustee Government of Singapore Investment Corporation		14,860,711	1.98%
New Labor Pension Fund		14,432,000	1.92%
Citi as directed trustee Government of Citigroup Global Markets account		14,388,100	1.92%
JPMorgan Chase Bank, Taipei Branch in Custody for Copthall Mauritius Investment Limited		14,342,000	1.91%
JP Morgan Chase as directed trustee for Catcher GDR		11,153,305	1.49%
Old Labor Pension Fund		10,568,000	1.41%
Citi as directed trustee Government of Kuwait Investment Office investment account		8,876,300	1.18%

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

Year Item			2010	2011	2012/01/01 - 2012/03/31
Market Price per Share	Before retroactive adjustment	Highest	113.00	277.50	237.00
		Lowest	60.00	104.00	136.00
	After retroactive adjustment	Highest	113.00	277.50	—
		Lowest	60.00	104.00	—
	Average			173.89	194.60
Net Worth per Share	Before Distribution			74.35	(Note 1)
	After Distribution			—	(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	664,909	715,058	(Note 1)
		Earnings per shares	6.66	14.93	(Note 1)
	After retroactive adjustment	Weighted average shares	664,909	(Note 1)	(Note 1)
		Earnings per shares	6.66	(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		Dividend per Share (Note2)	(Note 2)	(Note 1)
	Stock dividends	Dividend from retained earnings	0	(Note 1)	(Note 1)
		Dividends from Capital reserve	—	(Note 1)	(Note 1)
	Accumulated un-appropriated dividend (Note2)		—	—	(Note 1)
Return on Investment	Before retroactive adjustment	Price/Earning ratio (Note3)	11.76	11.39	(Note 1)
	After retroactive adjustment	Price/Earning ratio (Note3)	11.76	(Note 2)	(Note 1)
	Price/Dividends ratio (Note4)			(Note 2)	(Note 1)
	Cash dividends yield rate (Note5)			(Note 2)	(Note 1)

Note1: Up until the printing date, Q1/2012 financial report is not yet available.

Note2: Distributed earnings of 2011 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.**

Not Applicable (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 2011 Employee Bonus and Directors' & Supervisors' Remuneration**

The information of approved distribution earning of 2010 are listed as follows:

Unit: NTD; Shares

Details	As approved by the Shareholders' Meeting	As recommended by the Board of Directors	Differences
One 、 Distribution Status			
1. Employee bonus			
(1) Stock bonus amount	-	-	None
Stock bonus shares			
Market price per share (ex-right and ex-dividend factors have been considered)	-	-	-
(2) Cash bonus			
	44,298,438	44,298,438	None
2. Remuneration paid to Directors and Supervisors	3,085,000	3,085,000	None

## (9) Share Buy-back History

None.

## 2. Corporate Bonds

### (1) Corporate Bonds

Type	1 <sup>st</sup> domestic unsecured convertible bonds issued in 2009
Issue date	2009/12/08
Face value	NTD 100 thousand/unit
Listing Exchange	OTC
Issue Price	100% of face value
Total Amount	NTD 5 billion
Coupon rate	0%
Maturity	5 years Due on : 2014/12/08
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	NTD 700,000
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 2012/3/31 · 1st domestic unsecured CB total amount NT\$ 4,999,300,000 converted to common shares (48,165,043 shares)
	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

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 : 2015/04/27	
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	NTD 3,667,2000,000	
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 2012/3/31 · 2nd domestic unsecured CB total amount NT\$ 832,800,000 converted to common shares (4,122,708 shares)
	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		1 <sup>st</sup> domestic unsecured convertible bonds issued in 2009		2 <sup>nd</sup> domestic unsecured convertible bonds issued in 2011	
Year		2011	2012/03/31	2011	2012/03/31
Content					
Market Price	Highest	264.00	225.00	136.70	136.70
	Lowest	110.60	162.00	100.00	100.00
	Average	153.00	184.04	110.39	110.39
Conversion Price		102.06		198.59	
Date of Issuance		2009/12/08		2012/04/27	
Conversion Price at Issuance Date.		106.73		202	
Plans to execute the terms when bonds are converted		Issue new common stocks		Issue new common stocks	

## (3).Exchangeable Bonds Information:

None

## (4).Shelf Registration Information of Corporate Bond Issuance:

None

## 3. Preferred Stock:

None



#### 4. Global Depository Receipts (GDRs)

Date of Issuance			Global Depository Receipts issued in 2011/06/08
Content			
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
Depository Bank			JPMorgan Chase Bank
Custodian Bank			Taipei Branch / JPMorgan chase bank
Outstanding Balance (Units)			Not applicable
Issuing Expense and Maintenance Fees			All by the Company
Important Terms and Conditions of Depository Agreement and Custodian Agreement			Please refer to Depository Agreement and Custodian Agreement
Market Price/Unit	2011	Highest	US\$ 47.105
		Lowest	US\$ 20.32
		Average	US\$ 31.753
Market Price/Unit	Up to 2012/3/31	Highest	US\$ 39.055
		Lowest	US\$ 22.48
		Average	US\$ 32.391

#### 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

##### Content of Project

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 first domestic unsecured convertible bonds of 2009**

### **(I) Sources of fund:**

- i. Approval of authority : SFC approval # 0980055039, dated Oct., 27, 2009.
- ii. Project Amount : NTD 5 billion.
- iii. Sources of Fund : To issue a NT 5 billion domestic unsecured convertible bonds, with a tenor of 5 years, 0% coupon, and the other terms.
- iv. The issuance was completed on Dec. 8, 2009 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 000

Items	Planned Completion Date	Fund needed
Equipments Purchasing	Q1 2011	538,750
Bank loan repayment	Q3 2010	3,767,000
Working capital	Q4 2009	694,250
Total		5,000,000

- ii. Expected benefits

- Equipments Purchasing : To increase the sales volume of 3C mechanical parts to improve operating profits.
- Bank loan repayment and working capital : To reduce the interest payment, increase profitability, and improve financial structure.

## **(B) 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 000

Items	Planned 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 parts to improve operating profits.
- Working capital : To reduce the interest payment, increase profitability,

and improve financial structure by more working capital.

### **(C) 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 000

Items	Planned Completion Date	Fund needed	2011			
			Q1	Q2	Q3	Q4
China Investment	Q3 2011	4,028,080	2,597,622	1,227,212	203,246	0
Foreign material purchasing	Q4 2011	2,302,566	0	230,176	1,898,952	173,438
Total		6,330,646	2,597,622	1,457,388	2,102,198	173,438

- ii. Expected benefits

- China Investment : To increase capacity & product lines, control the upstream material cost, and strengthen the company's competitiveness 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 competitiveness.

### **Project Status**

#### **(A) The first domestic unsecured convertible bonds of 2009 :**

Catcher adjusted the project amount and schedule in late 2010 after considering the revenues growth and future development. The board had approved the amendment on Dec. 2, 2010, and re-allocated NTD 436,723 thousand from equipments purchasing to working capital. The aim of this adjustment was to introduce the RD of new technologies, new process and new products. The project was completed in Q4 2010.

#### **(I) The Project Status**

Until Jan. 30, 2011, the first domestic unsecured convertible bonds of 2009 was completed. The detail are as below :

unit: NTD 000

Items	Status			Remarks
Equipments Purchasing	Amount	Planned	102,027	Completed in Q4 2010.
		Actual	102,027	
	%	Planned	100	
		Actual	100	
Bank loan repayment	Amount	Planned	3,767,000	Completed in Q4 2010.
		Actual	3,767,000	
	%	Planned	100	
		Actual	100	
Working capital	Amount	Planned	1,130,973	Completed in Q4 2010.
		Actual	1,130,973	
	%	Planned	100	
		Actual	100	
Total	Amount	Planned	5,000,000	Completed in Q4 2010.
		Actual	5,000,000	
	%	Planned	100	
		Actual	100	

## (II) Benefits

### i. Equipments Purchasing

The planned capex for equipments purchasing was NTD 538,750 thousand. However, the amount was adjusted to 102,027 thousand and completed in Q3 2010, after considering the customers' demand and scale expansion. The expansion includes: 1,700 tons Extrusion machines, 1,200 tons forging machines, and CNC machines. The results of increased units, sales revenues, and operating profits were shown from 2011, with all those parts and equipments were installed and put into mass production.

### ii. Bank loan repayment

The company repaid its bank loan in Nov, 2010, and hence achieved 100% completion rate. Based on those documents in Q4 2010, the repayment amount was NTD 3,767,000 thousand and this project was completed.

### iii. Working capital

The balance of NTD 436,723 thousand, planned for equipments purchasing, was re-allocated for working capital. The adjustment was completed in the 4th quarter of 2010. Based on 0.9% interest rate, this project was expected to save interest expenses by around 10,179 thousand p.a., and will help the company to reduce its interest expense, improve profitability, and strengthen financial structure..

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

In Q1 2011, the global and Taiwan's capital markets were highly fluctuated due to the democratic events in North Africa & Middle Asia, and the earthquakes in Japan. For the best interest of shareholders' and the best timing of the issuance, Catcher revised its offering timeline looking for better pricing and terms. The convertible bonds were completed in Q2 2011.

The NTD 2 billion spending was planned to purchase the equipments for mid-high end metal parts capacity. Until Q1 2012, Catcher had spent NTD 1,915,814 thousand on equipment procurement and achieved a 95.79% completion rate. Based on 2011 audited financial statements, the sales revenues from 3C components increased by 5 times YoY, and operating

income increased by more than 7 times YoY. The benefits for better manufacturing units, sales revenues, and operating profits were fully shown.

The 2nd part of this project, enriching the working capital, totaled NTD 2,500 million was completed in the 2nd quarter of 2011. 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 competitiveness. The benefits started to show in that year.

#### (I) Project Status

The status of 2<sup>nd</sup> domestic unsecured convertible bonds of 2011 until Sept.30, 2011 :

until April 10, 2011 ; Unit: NTD thousand

Items	Status			Balance	Remark
Equipments Purchasing	Amount	Planned	2,000,000	84,186	The schedule for spending of this project was slightly behind, due to the delay of this fund raising. The overall completion was 95% and is reasonable.
		Actual	1,915,814		
	%	Planned	100		
		Actual	95.79		
Working capital	Amount	Planned	2,500,000	0	Completed in Q2 2011.
		Actual	2,500,000		
	%	Planned	100		
		Actual	100		
Total	Amount	Planned	4,500,000	84,186	The schedule for spending of this project was slightly behind, due to the delay of this fund raising. The project was expected to complete in Q2 2012.
		Actual	4,415,814		
	%	Planned	100		
		Actual	98.13		

#### (II) Benefits

##### i. Equipments Purchasing

The NTD 2 billion spending was planned to purchase the equipments for mid-high end metal parts capacity. Until Q1 2012, Catcher had spent NTD 1,915,814 thousand on equipment procurement. Based on 2011 audited financial statements, the sales revenues from 3C components increased by 5 times YoY, and operating income increased by more than 7 times YoY. 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 2nd quarter of 2011. 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 competitiveness.

#### (C) 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. Besides, the size of this GDR was USD 80,028 thousand higher because of higher stock price, and the additional fund had

allocated to foreign material purchasing. Until Sept.30, 2011, the Company had spent USD 109,936 thousand, which was expected to increase capacity & product lines, control the upstream material cost, and strengthen the competitiveness in casing and other parts. With the gradually completion of this project, the benefits will also show accordingly.

The GDR project status until Sept.30, 2011 :

until Sept. 30, 2011 ; Unit: NTD thousand

Items	Status			Balance	Remark
China Investment	Amount	Planned	4,028,080	865,001	The schedule for spending of this project was slightly behind, due to the delay of this fund raising. The company started to execute this project from June 2011.
		Actual	3,163,079		
	%	Planned	100		
		Actual	78.52		
Foreign Material Purchasing	Amount	Planned	2,129,128	- 173,438	This spending was ahead of schedule due to strong demand for foreign material purchasing.
		Actual	2,302,566		
	%	Planned	100		
		Actual	100		
Total	Amount	Planned	6,157,208	691,563	The schedule for spending of this project was slightly behind, due to the delay of this fund raising. The fund yet to spend is put into bank deposit or other high liquidity investment.
		Actual	5,465,645		
	%	Planned	100		
		Actual	88.77%		

Catcher adjusted the Capex amount and schedule after considering the revenues growth and future development. The board had approved the amendment on Oct., 2, 2011, and the revised project was expected to complete in fourth quarter of 2011 :

Unit: NTD thousand

Items	Expected completion Date	Amount	2011			
			Q1	Q2	Q3	Q4
China Investment	4 <sup>th</sup> Quarter, 2011	3,368,684 0		3,163,079	0	205,605
Foreign Material Purchasing	4 <sup>th</sup> Quarter, 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

The reasons of project amendment

The China Investment, one of this project items, amounted NTD 3,368,684 thousand was fully executed and achieved the expected benefits. Along with the growth of operating scale and customers' demand on metal casing, the revenues of 2011 grew significantly and caused strong demand on foreign material purchasing. To fulfill the future development and customers' demand, Catcher re-allocated NTD 659,396 thousand, planned for China investment, to foreign material purchasing.

To cope with the revenues growth from 2<sup>nd</sup> half 2011, the company had re-allocated part of China Investment to foreign material purchasing. The adjustment will help save interest expenses and improve future operation. The change was within 10% of the GDR proceeds; and therefore there is no material change of the whole project.

Unit: NTD thousand

Items	Planned Amount	Amount changed	Revised Amount	Remarks
China Investment	4,028,080	Decrease 659,396	3,368,684	Given this project achieved the expectation, the company adjusted the timeline and amount, and this change had no material effect.
Foreign Material Purchasing	2,302,566	Increase 659,396	2,961,962	1.Strong demand of foreign material purchasing due to revenues increased in 2011. 2.Expect to save NTD 9,891 thousand interest expenses, based on a long term unsecured borrowing 1.5% interest rate and 659,396 thousand amount.

(I) The Project status after amendment

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

In order to fulfill customers' growing demand, Catcher had re-allocated part of China Investment fund to foreign material purchasing. This adjustment also considered the introduction of new technologies, new process and new products; and the consequences of larger scale as well. The China Investment was planned at NTD 4,028,080 thousand, and then changed to 3,368,684 thousand. The difference of NTD 659,396 thousand was allocated for foreign material purchasing and was completed in Q4 2011. The China Investment, 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 adjusted from NTD 2,302,566 thousand to 2,961,962 thousand, and was completed in Q4 2011. The NTD 659,396 thousand extra funds came from the decrease in China investment and mainly spent for the growth material demand in NB, ultrabook, tablet, and smartphone market. 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 competitiveness.

## Five 、 Overview of the Business Scope

### 1. Description of The Business

#### (1) Major Business

##### A. Major Business:

- a. Manufacturing, processing, and sales of molds, alloy products, and touch panels.
- b. Surface treatment, processing, and sales of alloy products.
- c. Related materials' and products' trading business.

##### B. Major Products and Weights :

Unit : in thousand NTD ; %

Product Item	Net sales in 2011	(%) of Sales
Metal Casing and Internal Components	15,869,603	95.75%
Others	704,017	4.25%
Total	16,573,620	100.00%

##### C. Current Products and Services:

- a. Metal casing and internal components: Sales and manufacturing of casing, internal components, and thermal modules for mobile devices and 3C products, such as notebooks, mobile phones, MP3 players, PDA and so on.
- b. Others: Sales and manufacturing of molds' and air tools' products .

##### D. Future Products and Services:

- a. Processing and manufacturing of glass products and components for 3C applications.
- b. Plastic parts and metal stamping components for computer, communication, and consuming electronics products.
- c. Development and manufacturing of special Magnesium, Aluminum, and stainless alloys casing and components.
- d. Development of advanced metal surface treatment techniques.
- e. Non-metal material development for 3C applications.
- f. Development of various materials combination techniques and product applications.
- g. Special heat dissipation techniques development for LED.

#### (2) Industry Scope

##### A. Current Industry Products & Development:

Trends of portable and 3C products are toward thin, light, and slim. 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. Stylish outlook.
- 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 in earth.



- 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.
- f.

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 statistics, sales volume of notebook is more than desk computer (DT) and reached more than 60% of PC market in 2011 and it is increasing steadily. Notebook with thin and colorful casing has come a code word to consumers who like to express their personal style. Thus, the thin casing and stunning appearance designs have become more and more popular. Not only high-end or commercial Notebook but also some mid-end products adopt metal casing, CULV Notebook is the most representative in 2010-2011. Besides, Ultrabook launched in 2011 as well. Intel launched the new product lines to fulfill user's needs. Ultrabook are still in the early stages of development, and the average selling price is more than US\$ 900. These new style notebooks can improve the casing industry's scale and profits. In order to make the casing lighter and thinner, plastic with high percentage of glass fiber or carbon fiber may achieve such kind of requirement. However, the price of raw material per kg is much higher than metal, and the yield rate is lower. Most of plastic casing also need to be dealt with EMI process. As for Carbon fiber, a conductive material, can not be used as an antenna cover. With superior material attributes of metal, the industry downstream is expanding its applications to mobile phones, notebooks, mp3 players, TFT-LCD, and other innovative casing designs in recent years.

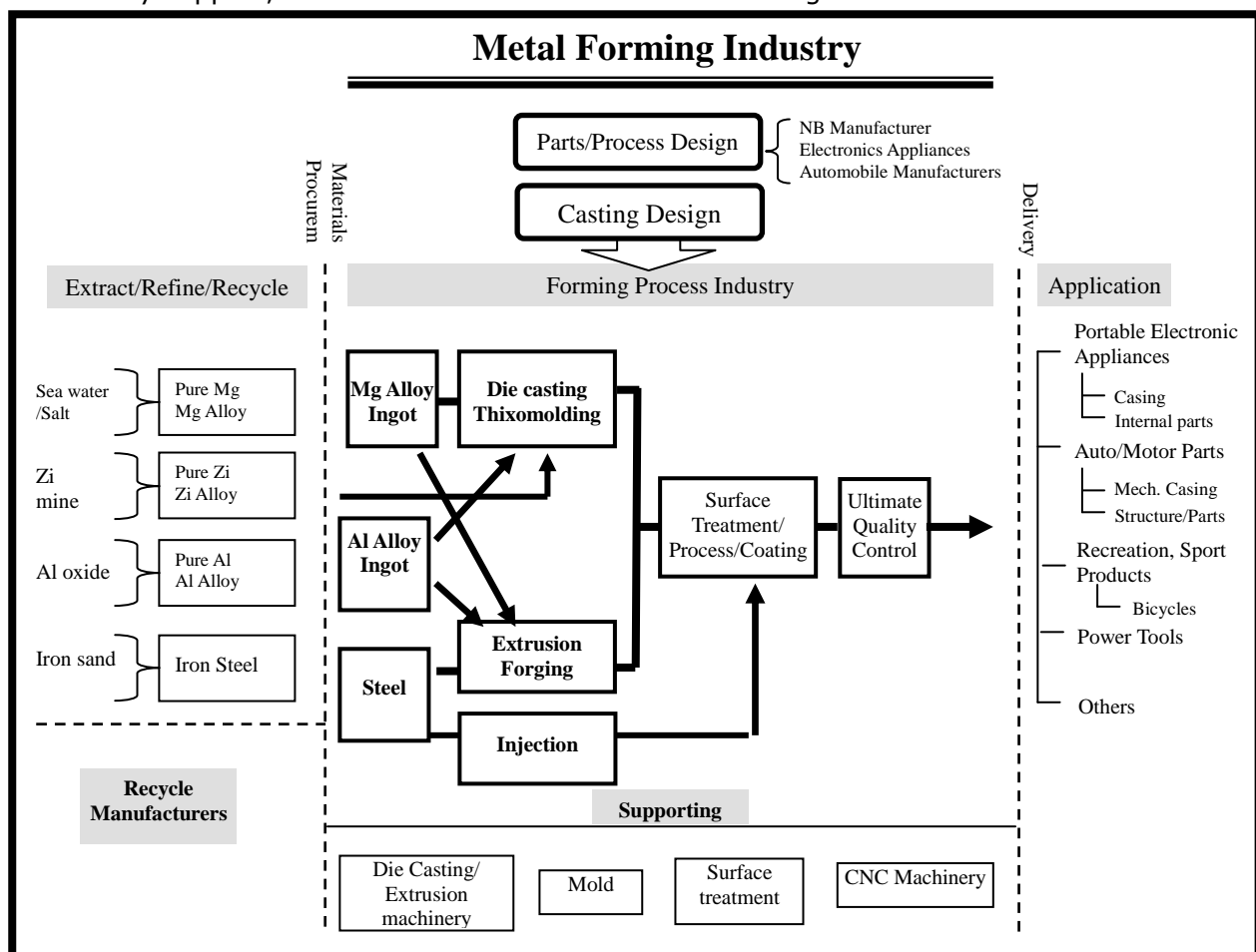
Since 2010, the Tablet PC (Tablet) becoming popular, the era of mobile computing was coming. Users desire information anytime and would like to have larger display of the Mobile Phone and Tablet as essential items. With cloud computing technology and high-speed wireless transmission technology, the data can be processed through the network outgoing and feedback the result immediately. The effectiveness of processing makes the devices getting smaller, and these products tend to be thinner and lighter. The largest space are for battery and display (with touch screen). Therefore, there is no more space for the keyboard or trackpad. It even can be used in the all electric equipments at home only via touch panel or wireless internet by integrating central system to achieve information sharing purpose. Thus, the cloud computing techniques provide touch equipment's applications not limited only in cell phone and computer, but also in our daily home life. The meaning to the industry is that it is necessary to provide a metal casing which meets the requirements of protecting large sized touch panel and appearance. Hence, metal casing with glass and touch panel

appearance designs and applications will be the prevalent trend in the future.

The mobile device market is still quite popular, not only the smart phone but also Tablet PC are growing up explosively. Although the iPad still dominates in the tablet market, major NB brand company and mobile phone company will launch new products with Android 4.0. Thus, the global tablet PC shipments will spring up in the future. The shipments of Tablet PC in 2011 was around 15 million units, and it will continue to grow in 2012. Besides, the Ultrabook just launched in 2011, and it will have more shipment after Intel launches Ivy Bridge in 2012. We can say that 2012 is the first year of mobile computing generation. At the same time, we can see more and more adoption of Metal Unibody for the mobile devices, and even for some the other products in the next two years.

## 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

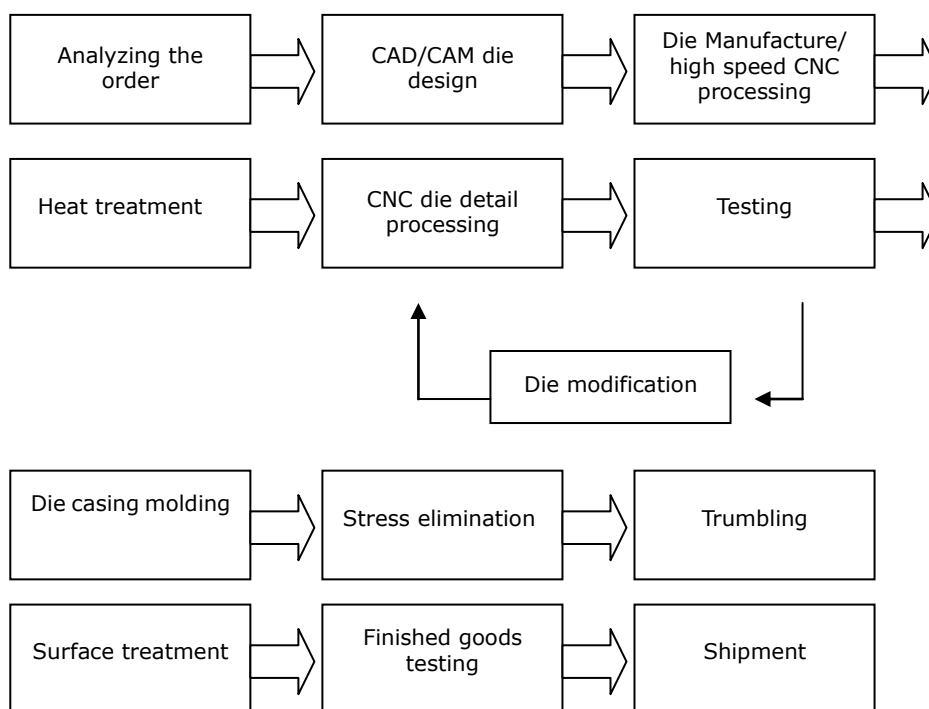
### a. Metal Alloy Upstream

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. Domestic companies include Catcher, Foxconn, Wafer, 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, sports products. Car 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 initiated the high quality and tensity 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 Zins alloy are the key role for 3C industry.

## 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
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

## (3) Research & Development Achievements and Plans:

### A. Research and Development Expenditures:

Year	2011(consolidated)
R&D expenditures	NT\$ 780,842 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 "complete manufacturing process 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 Big-size 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.

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

The trend toward thin and light, small and short, environment protection, and multi-function has made metals being the main and most popular material in information products. Benefit from the cross-strait operating synergy, Catcher meets customers' need by providing vertically integrated one-stop-shopping capabilities and achieves a win-win situation. 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. The Company manages to keep the commitment of

technology innovation and customer-oriented service while with a vision of sustainable operation.

## 2. Market and Sales Conditions

### (1) Market Analysis:

#### A. Major Sales Regions:

Unit : in thousand NTD ; %

Area \ Year		2009		2010		2011	
		Net Sales	%	Net Sales	%	Net Sales	%
Domestic		422,768	47.88%	1,898,467	68.71%	8,239,777	49.72%
Export	Asia	445,387	50.45%	854,516	30.93%	3,872,205	23.36%
	America	13,695	1.55%	8,874	0.32%	2,912,272	17.57%
	Europe	1,061	0.12%	1,086	0.04%	1,549,366	9.35%
	Others	0	0.00%	0	0.00%	0	0.00%
Export subtotal			52.12%	864,476	31.29%	8,333,843	50.28%
Total			100.00%	2,762,943	100.00%	16,573,620	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, and 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 leader of metal casing industry in Taiwan.

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. However, with the gradual economy recovery, most of companies will replace their Nobebooks, and they would like to adopt comercial models with thin and light metal casing. Besides, Catcher did catch the trend of the growth of smart phones and other mobile devices in 2010. It made the momentum of more than 60% growth of sales revenue in 2011.

#### C. Future Market Supply, Demand, and Growth Potential

According to the IDC, Gartner and many other research institutions, along with the global economic recovery, the volume of notbook has reached about 208 million units in 2011, growth rate 3.8% YoY. . This is around 60% of toal PC market. In terms of the economic recovery, notebook can still maintain a compound annual growth rate with single-digit percentage growth in the future, and the shipments may achieve 214 million units in 2012. In addition to the steady growth of the overall market, the metal casing can provide light weight, strength, protective effect, more durable, good heat dissipation, EMI noise reduction and environmentally friendly recyclable excellent characteristics. Therefore, the metal casing penetration rate is still increasing steadily in recent years. Ultrabook will be the key driver for the lighter and thinner notebook in this year. And we can see more consumer models adopt metal casing, it means that notebook will be the key factor for the growth in the near future.

In the market of mobile phone, research institutions indicate that the 2011 global handset shipments grow by 9.5% YoY in 2011, and the total shipment reached 1.55 billion. Especially, the smartphones increased 62% in 2011, reached to nearly 494 million units, and it has more than 30% of the mobile phone market. With 3G penetration increased, the mobile internet service, the cheaper cost of the phone application chip, and the enhanced computing speed, the shipments of smartphone finally exceeded PC in 2010Q4, it means that the era of mobile Internet was coming. 2011 was the meaningful year for smartphone with high-speed growth rate. Research institutes estimate that the compound annual growth rate of the smartphone will be around 30%, and the smartphone may reach to 920 million units in 2014. At that time, smartphone and feature phone will be around 50% each of the overall mobile phone market.

From the product's point of view, smartphone with larger-size display is an indisputable trend. Compared to the plastic casing, metal casing becomes the important functional components. It can provide the thin & narrow frame design, relatively more strength and excellent protection. Besides, according to the evolution of the surface treatment technology, metal casing with metallic luster touch and the impression of high-end products are preferred by consumers.

In future, except the smartphone market continuing to grow up rapidly, Tablet PC will also make more opportunities for metal casing industry. With the significant growth driver by Apple iPad, many brand companies would like to join the market as well. According to the research, Tablet PC will grow up from 18 million units in 2010 to around 64 million units in 2011. Moreover, it will achieve 91 million units in 2012, and 115 million units in 2013. With the substantial growth of Tablet PC, the demand for metal casing will be another beneficial factor for metal casing company.

With the fashionable design of mobile phone, NB, tablet and the other consumer electronic products, the precision manufacturing 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 manufacturing processes and advanced technology. Catcher has become one of the few 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.

## **D. Competitive Advantages**

The company focuses on the manufacture of metal casing (Al, Mg, Zn, Stainless Steel...) and internal frame. It includes 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 Company provides one-stop-shopping solution, and ensures time-to-market and quality control issues.
- c. 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.
- d. The Company's technologies and quality have been proven and recognized by customers.
- e. 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, we plan to set up a market analysis department to help our research team understand the market's demand, develop new products, and lower decision making mistakes and avoid unnecessary resources wasted to create the Company's profitability.

## **E. Positive and Negative Factors Relating to Future Development**

### **a. Favorable Factors**

#### **➤ Expansion of the Industry in New Applications**

Superior physical characteristics of metals result in the popular applications of metals. Besides NB, smartphone, tablet, camera, and 3C products are constructed thinner and larger-size display in order to strengthen the structure, save the space and make better outlook. Therefore, the applications for metals are in growth and the industrial outlook is optimistic.

#### **➤ 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 for over ten years, a completed and well-operating supply chain was established. As a result, the market share of many kinds of 3C products in Taiwan achieves 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 have cooperation with smartphone, mobile devices company brand company. The diversified and stable customer base is the important factor 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 demand for those products are also growing quickly. However, because of the highly customized structure and design, the key technologies – the ability to make the mold and tooling, and the variety of surface treatment technology, it requires 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 use of extrusion and CNC machining make more creative design of casing outlook. Meanwhile, there are 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 2<sup>nd</sup> operating process, which can not 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 human and resources and control the cost.

The life cycle of 3C products is getting shorter, the Company need to have R & D ability and make mass production within a short period in order to grasp the market. The new manufacturers have initial huge investment for equipments and

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-term. The Company already entered in this industry for quite long time, and had solid R&D team and experience for deliver and quality. All above competitive advantages can make the company become outstanding in the serious competition.

➤ **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 NB Mg alloy casing. 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 earlier 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, quality assurance to meet global brand name clients' need. In addition to the development of special process and technology, the company's existing completed capability matrix enable 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. Since the surface treatment processing in attached device of big-sized plastic products 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 are predictable in the upcoming year.

**b. Negative Factors**

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

After the financial crisis, the economy did 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 uncertain. 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 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. Ramp up the production capacity to lower production cost with economies of scale and enhance innovation of more value-added, diversified and high-end premium products sustain the Company's profitability. To expand the scale of production, and have economic scale to reduce the production costs. To enhance R&D innovation, and make value-added, diversified and high-end premium products to sustain the Company's profitability..
- ii. We are proud of providing existing clients with outstanding process technology by strategic alliance extending from handling products designing, mass production, back-up service, products distribution, to post-selling services for solid clients relationship. In addition, based on the superior production standard to increase yield rate remain the Company's core competency.
- iii. We will also emphasize 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 the reduce the price pressure as well.

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 50% of casings will be manufactured in-house in ODM. Other ODM companies all held with the same attitudes. 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 economic scale, we are putting efforts on product and process designs, mechanized, automatized, and rationalized our production processing 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 manufacture 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 is important for metal casing manufacture, and the yield rate can not be improved easily in short-term. It may take quite 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.**

Due to the increase of commercial notebook demand, the metal casing penetration rate is rising up. According to the development of the global mobile phone, smartphones are mainly in Europe, United States, and the Japanese market. The penetration for the users in Western Europe is even more than 100%, only if users are willing to buy high-end models can really make the growth momentum in the future. In the emerging market, there is substantial increase for the demand of low-end or entry-level smartphone in China, India, Eastern Europe, the Middle East, and the other emerging market.

■ **Action Plans**

- i. Vertical integration: To reduce the 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 Mg molding is complicated, the quality requirement is strict, and manpower can not be totally replaced by the automatic machines. 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 economics rapidly growth, labor cost has been increased a lot, the appreciation of RMB currency, heavier tax, and the inflationd..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, high margin products in Taiwan. Through product and manufacture processing designs to less labor force intensive 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.

➤ **Potential Substitute Materials**

Metal alloy is not the only structure material for casing, but also the internal components of mobile devices and 3C products. When the related cost of non-metal material is low, the adoption of metal design will slow down. Right now, lower cost 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 “completed manufacture processing 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 difference between metal and non-metal, and keep improving competence.

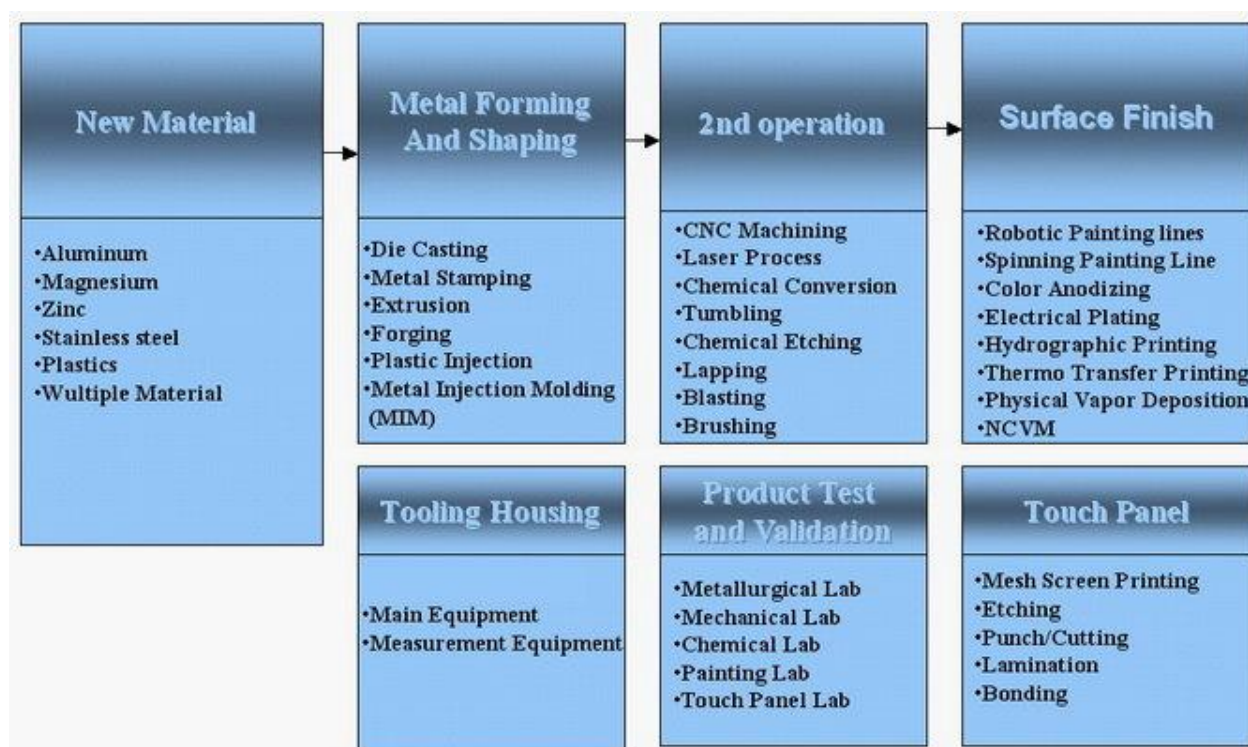
- ii. Catcher’s R&D puts efforts on the exploitation and development of new material, and on the upgrading and development of non-metal material. In addition to metal casing, the Company starts to develop plastic casing and composite materials as well. We expect to have a remarkable growth in 2012. We 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

#### (4) Major Vendors and Customers

##### A. Major Customers

Unit: in thousand NTD; %

Item	2010				2011			
	Supplier	Amount	[ % ]	Related party	Supplier	Amount	[ % ]	Related party
1	I	1,755,017	63.52%	No	I	7,752,424	46.78%	No
2	N	542,340	19.63%	No	N	2,923,321	17.64%	No
3	--	--	--	--	--	--	--	--
4	--	--	--	--	--	--	--	--
	Others	465,586	16.85%		Others	5,897,875	35.59%	
	Net Sales	2,762,943	100.00%		Net Sales	16,573,620	100.00%	

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

##### B. Major Vendors

Unit: in thousand NTD;  
%

Item	2010				2011			
	Supplier	Amount	[ % ]	Related party	Supplier	Amount	[ % ]	Related party
1	D	1,080,124	72.36%	Subsidiary	D	10,034,383	91.55%	Subsidiary
2	G	80,897	5.42%		B	198,129	1.81%	
3	B	66,123	4.43%					
	Others	265,542	17.79%		Others	727,789	6.64%	
	Total Purchase	1,492,686	100%		Total Purchase	10,960,310	100%	

Note: The variance is primarily resulted from the consideration on quality of products and price as well as new equipment move-in due to new process technology.

#### (5) Production Figures

Unit: in thousand NTD ; Thousand pieces

Value Year Products	2010			2011		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Metal Casing	29,668	27,561	1,130,296	70,593	62,595	2,069,952
Internal Parts						
Others	50	40	850	4	4	370
Total	29,718	27,601	1,131,146	70,597	62,599	2,070,322

## (6) Sales Figures

Unit: in thousand NTD ; Thousand pieces

Value Year Products	2010				2011			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Metal Casing Internal Parts	5,677	1,775,150	19,208	843,826	14,724	7,637,053	61,735	8,232,549
Others	27	123,317	80	20,650	156	602,723	22	101,295
Net Sales	5,704	1,898,467	19,288	864,476	14,880	8,239,776	61,757	8,333,844

## 3. Employee Analysis

Catcher Technology Co., Ltd. Employee Analysis				
Year		2010	2011	As at 2012/3/31
Employees	Direct Labors	896	1697	1603
	Indirect Labors	410	866	903
	Total	1306	2563	2506
Average Age		29.10	29.41	30.06
Average Years of Employment		2.50	1.64	1.83
Level of Education (%)	Ph.D.	0.84	0.51	0.52
	Masters Degree	4.90	4.29	4.50
	Bachelors/Associate Degree	29.25	29.89	31.31
	High School	23.81	26.57	28.21
	Others	41.20	38.74	35.46

## 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 and travel funds.
  - 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 sustain 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**

<b>Contract Type</b>	<b>Name of the Company</b>	<b>Contract Period</b>	<b>Major Content</b>	<b>Limitations</b>
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.
Long-term Loan	Chang Hua Bank	2008.08.01   2013.12.01	Factory expansion and working capital	It needs to be agreed by the bank if the pledged assets to be disposed by the company.

## Six 、 Overview of the Financial Status

### 1. Abbreviated Balance Sheets and Income Statements

#### (1) Abbreviated Balance Sheet

Unit : In thousand NTD

Year Item		Past Five Fiscal Year (Note1)					As at 2012/03/31 (Note3)
		2011	2010	2009	2008	2007	(Note 3)
Current Assets		12,869,507	3,549,586	5,961,777	2,813,962	2,288,345	—
Funds and Investments		48,150,506	34,431,611	32,467,313	29,669,705	23,604,087	—
Property, Plant and Equipment		4,951,078	2,628,268	2,649,935	3,188,452	1,762,417	—
Intangible Assets		9,009	10,090	11,171	12,252	13,333	—
Other Assets		558,512	535,916	525,549	103,697	10,923	—
Total Assets		66,538,612	41,155,471	41,615,745	35,788,068	27,679,105	—
Current Liabilities	Before Distribution	5,565,540	2,379,360	1,345,400	2,445,715	1,758,039	—
	After Distribution	5,565,540 (Note 2)	5,140,543	2,675,217	3,045,431	3,927,806	—
Long-term Liabilities		5,048,489	6,018,433	8,224,844	3,799,891	0	—
Other Liabilities		113,064	81,301	86,831	88,725	69,447	—
Total Liabilities	Before Distribution	10,727,093	8,479,094	9,657,075	6,334,331	1,827,486	—
	After Distribution	10,727,093 (Note 2)	11,240,277	10,986,892	6,934,047	3,997,253	—
Capital		7,506,394	6,649,085	6,649,085	5,997,159	5,415,917	—
Capital reserve		16,924,672	5,787,940	5,784,450	5,178,676	5,178,676	—
Retained earnings	Before Distribution	29,014,195	21,098,145	17,998,118	15,880,463	14,285,088	—
	After Distribution	29,014,195 (Note 2)	18,336,962	16,668,301	14,681,031	11,534,079	—
Unrealized Gain or Loss on Financial Instruments		-11,644	- 59,187	601	0	7,125	—
Cumulative Translation Adjustments		2,366,833	- 810,625	1,515,397	2,386,420	953,794	—
Unrecognized Pension Cost		0	0	0	0	0	—
Total Equity Total Equity	Before Distribution After Distribution	55,811,519	32,676,377	31,958,670	29,453,737	25,851,619	—
	Before Distribution	55,811,519 (註 2)	29,915,194	30,628,853	28,854,021	23,681,852	—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.

Note 2: Because 2012 shareholders' meeting has not yet been convened, the amount after distribution in 2011 represents the same as the amount before distribution.

Note 3: Up until the printing date, Q1/2012 financial report is not yet available.

## (2) Abbreviated income statement:

Unit : in thousand NTD (EPS: NTD)

Item \ Year	Past Five Fiscal Year (Note1)					As at 2012/03/31 (Note 3)
	2011	2010	2009	2008	2007	
Net Operating Revenues	16,573,620	2,762,943	882,911	3,751,449	2,498,003	—
Gross Profit	4,272,479	684,457	88,558	849,855	574,122	—
Operating Income (Loss)	3,900,372	448,186	- 152,176	561,227	457,268	—
Non-operating Income	7,685,020	4,364,857	3,756,890	4,410,896	7,177,178	—
Non-operating expenses	246,752	185,567	43,046	256,769	31,759	—
Income (loss) Before Tax From Continuing Operations	11,338,540	4,627,476	3,561,668	4,715,354	7,602,687	—
Income (loss) From Continuing Operations	10,677,233	4,429,844	3,320,083	4,346,384	7,196,800	—
Income (loss) From Discontinued Operations	—	—	—	—	—	—
Extraordinary Items	—	—	—	—	—	—
Cumulative Effect of Change in Accounting Principle	—	—	—	—	—	—
Net income	10,677,233	4,429,844	3,320,083	4,346,384	7,196,800	—
Earnings Per Share (Note 2)	<b>14.93</b>	<b>6.66</b>	<b>5.01</b>	<b>6.59</b>	<b>10.91</b>	—

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, Q1/2012 financial report is not yet available.

## (3) Names of the Auditors and the Opinions:

Year	CPA Firm	CPA	Auditors' Opinion	Reason for change CPA
2006	Deloitte & Touche	Chi-Chen Lee Kuang-Min Tseng	Revised unqualified opinion	-
2007	Deloitte & Touche	Kuang-Min Tseng Chi-Chen Lee	Revised unqualified opinion	-
2008	Deloitte & Touche	Jia-Ling Chiang Hui-Yin Chiu	Revised unqualified opinion	Job rotation inside CPA firm
2009	Deloitte & Touche	Jia-Ling Chiang Hui-Yin Chiu	Revised unqualified opinion	-
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	



## 2. Financial Analyses for the Past Five Years

Analysis Items \ Year		Financial Information For The Past 5 Years (Note 2)					As at 2012/03/31 (Note 3)
		2011	2010	2009	2008	2007	
Capital Structure (%)	Debt ratio	16.12	20.60	23.21	17.70	6.60	—
	Long-term Funds to Fixed Assets	1229.23	1472.26	1516.40	1042.94	1466.83	—
Liquidity (%)	Current Ratio	231.24	149.18	443.12	115.06	130.16	—
	Quick Ratio	224.26	138.66	430.01	106.69	120.89	—
	Times Interest Earned	12945.41	5337.19	8810.36	13139.89	131611.62	—
Operating Performance	Accounts Collection Turnover (times)	3.83	2.76	1.00	2.93	3.29	—
	Average Collection Days	95.30	132.24	365.00	125.00	111.00	—
	Inventory Turnover (times)	43.00	13.41	6.10	20.56	18.83	—
	Average Payable Turnover (times)	6.36	3.74	1.37	4.32	11.37	—
	Inventory Turnover Days	8.48	27.21	60.00	18.00	20.00	—
	Fixed asset Turnover (times)	3.35	1.05	0.33	1.18	1.42	—
	Total asset Turnover (times)	0.25	0.07	0.02	0.10	0.09	—
Profitability	Return on Assets (%)	19.96	10.88	8.66	13.78	30.07	—
	Return on Equity (%)	24.13	13.71	10.81	15.72	31.90	—
	% of Capital	Operating Income	51.96	6.74	-2.29	9.36	—
		Income Before Tax	151.05	69.60	53.57	78.63	—
	Net income to Sales (%)		64.42	160.33	376.04	115.86	—
	EPS (NTD) (Note 1)		<b>14.93</b>	<b>6.66</b>	<b>5.01</b>	<b>6.59</b>	<b>10.91</b>
Cash Flow (%)	Cash Flow Ratio	22.68	-14.82	7.51	26.60	-3.29	—
	Cash Flow Adequacy Ratio	13.73	8.18	19.51	29.35	43.80	—
	Cash flow Reinvestment Ratio	-2.41	-4.23	-1.21	-4.44	-4.90	—
Leverage	Operating Leverage	2.50	4.00	-3.80	5.49	4.62	—
	Financial Leverage	1.02	1.25	0.79	1.07	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, Q1/2012 financial report is not available

### (1) Explanations for Significant Changes (over 20%)

- Debt to assets ratio: the ratio improved because of the increase of sales & profit, CAPEX and fund raising, and CBs converted to common shares in 2011.
- Current ratio and quick ratio: the ratios increased because of the increase of account receivable, the 4.5 billion convertible bond issuance in 2011, and 6.2 billion GDR issuance.
- Times interest earned: Increasing profit in 2011 because of better product mix and the advanced technology.
- Average account receivable turnover rate, fixed assets turnover rate, total assets turnover: The improvement is due to increase in sales and some of new AR were narrow down to 90 days.
- ROA, ROE, Operating Income to Capital ratio, and Income Before Tax to Capital ratio : All

improved due to the increase in sales and profit .

- Cash flow ratio: Better ratio was mainly due to increase in profits in the year.
- Cash flow adequacy ratio, and cash flow reinvestment ratio: Improve due to the increase of operating cash inflow. The capex in Taiwan was less than the operating cash inflow , so that the reinvestment ratio decreased.
- Operating leverage, and financial leverage: The ratio became lower because that increase of profit was more than the increase of sales and cost.

## **(2)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 =  $(\text{Net Sales} - \text{Variable Cost \& expense}) / \text{Income from Operations}$
- Financial leverage =  $\text{Income from Operations} / (\text{Income from Operations} - \text{Interest Expenses})$

### **3. Supervisors' Report**

## **Supervisors' Report**

The board of directors has prepared and submitted to us the Company's audited 2011 financial statements and consolidated financial statements. We, as the Supervisors of the Company, have reviewed these statements. The financial statements and consolidated financial statement present fairly to the financial position of the Company and the results of its operations and cash flows. According to article 219 of the Company Law, we hereby submit this report.

Catcher Technology Co., Ltd.

Supervisor: Janice Lin

Supervisor: Wen-Chich Huang

Supervisor: Chen Jiunn Rong

March 8, 2012

**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	2011	2010	Difference	
			Amount	%
Current Assets	12,869,507	3,549,586	9,319,921	263
Funds and Investment	48,150,506	34,431,611	13,718,895	40
Fixed Assets	4,951,078	2,628,268	2,322,810	88
Intangible Assets	9,009	10,090	- 1,081	-11
Other Assets	558,512	535,916	22,596	4
<b>Total assets</b>	<b>66,538,612</b>	<b>41,155,471</b>	<b>25,383,141</b>	<b>62</b>
Current Liabilities	5,565,540	2,379,360	3,186,180	134
Long-term Liabilities	5,048,489	6,018,433	- 969,944	-16
Other Liabilities	113,064	81,301	31,763	39
<b>Total liabilities</b>	<b>10,727,093</b>	<b>8,479,094</b>	<b>2,247,999</b>	<b>27</b>
Capital	7,506,394	6,649,085	857,309	13
Capital Reserve	16,924,672	5,787,940	11,136,732	192
Retained Earnings	29,014,195	21,098,145	7,916,050	38
Owner's Equity - others	2,366,258	- 858,793	3,225,051	- 376
<b>Total Equity</b>	<b>55,811,519</b>	<b>32,676,377</b>	<b>23,135,142</b>	<b>71</b>

#### (1) Explanations for Significant Changes in Financial Position

- Increase in current assets was mainly due to issuance of GDR and convertible bonds in 2011, and the increase of AR.
- Increase in funds and investment was mainly due to the recognition of the investment profit of subsidiaries.
- Increase in fixed assets was mainly due to expansion of the capacity.
- Increase in current liabilities was mainly due to the increase of account payable for buying raw material.
- Decrease in long-term liabilities was due to the conversion of convertible bonds.
- Increase in other liabilities was mainly due to the deferred tax of depreciation for machines.
- Increase in owner's equity-others was due to the premium of GDR issuance and CBs conversion .
- Increase in retain earnings was due to the recognition of the profit from subsidiaries.
- Decrease in owner's equity-others was due to the depreciation of New Taiwan Dollars to US dollars which caused increase in accumulative translation adjustments.

**(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	2011	2010	Increase (Decrease) Amount	Percentage of change (%)
Net sales	16,573,620	2,762,943	13,810,677	500
Operating Costs	12,301,141	2,078,486	10,222,655	492
Gross Profit	4,272,479	684,457	3,588,022	524
Operating Expenses	372,107	236,271	135,836	57
Operating Income (Loss)	3,900,372	448,186	3,452,186	770
Non-Operating Income	7,685,020	4,364,857	3,320,163	76
Non-Operating Expenses	246,752	185,567	61,185	33
Income before Income Tax	11,338,640	4,627,476	6,711,164	145
Income Tax	661,407	197,632	463,775	235
Net Income	10,677,233	4,429,844	6,247,389	141

#### A. Explanations for Significant Changes

- Increase in net sales, costs, gross profits, operating income, income before tax, net income were mainly due to the improved technology and better product mix in recent years.
- Increase in non-operating income was due to the investment revenue and the depreciation of New Taiwan Dollar to US dollars.
- Increase in non-operating expense was mainly due to recognition of the impairment on the stock price drop of longterm investment Giantplus.

#### B. Sales Quantities Estimation for Next Year

None.



### 3. Analysis on Cash Flow

Unit: in thousand NTD

Cash Balance at the Beginning of the Year (A) (2010.12.31)	Net Cash Provided by Operating Activities (B) (2011)	Net cash Provided from Investing and Financing Activities (C) (2011)	Balance of Net Cash (A+B+C) (2011.12.31)	Remedy for cash shortfall	
				Investment Plan	Finance plan
\$993,909	\$1,262,241	\$2,320,654	\$4,576,804	—	—

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

##### ➤ Operating Activities

Cash inflow approximately NTD 1,262,241 thousand was mainly due to the increase of operating profit.

##### ➤ Investing Activities

Cash outflow approximately NTD 6,568,323 thousand was mainly due to the increase in purchasing fixed assets and the long-term investment.

##### ➤ Financing Activities

Cash inflow approximately NTD 8,888,977 thousand was mainly from GDR and 2nd CB issuance.

##### ➤ 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	Total Capital Expenditure	Capital Expenditure		
				2009	2010	2011
-Construction of Factories -Machinery and Equipment	-Self owned capital -Bank loans -Bonds	In progress	\$3,002,303	\$16,643	\$203,916	\$2,781,744

#### (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 competitiveness, 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 set manufacture, processing, and sales function subsidiaries in China. Recognized gains from the subsidiaries were \$7,238,519 thousand in 2011. These gains were mostly contributed from Topo Technology Co., Ltd. and Meeca Technology Co., Ltd.

## **(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 long-term liabilities of operating activities. To lower the risk, fixed rate finance instruments are used for long-term liabilities. For the respect of assets, we mostly invest in high-mobility, short-term fixed-income bonds 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 and Euro. 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 2011, 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 are no such issues incurred.

## **(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 involving odors generated in our subsidiaries - Topo Technology Co., Ltd. and Meecca Technology Co., Ltd. So far, we have not received the formal approval for resumption from the Government. The Company keeps its improvement, including equipment and tasks, and tries to communicate with the authorities to get approval as earlier as possible.

## **7. Other Necessary Supplements**

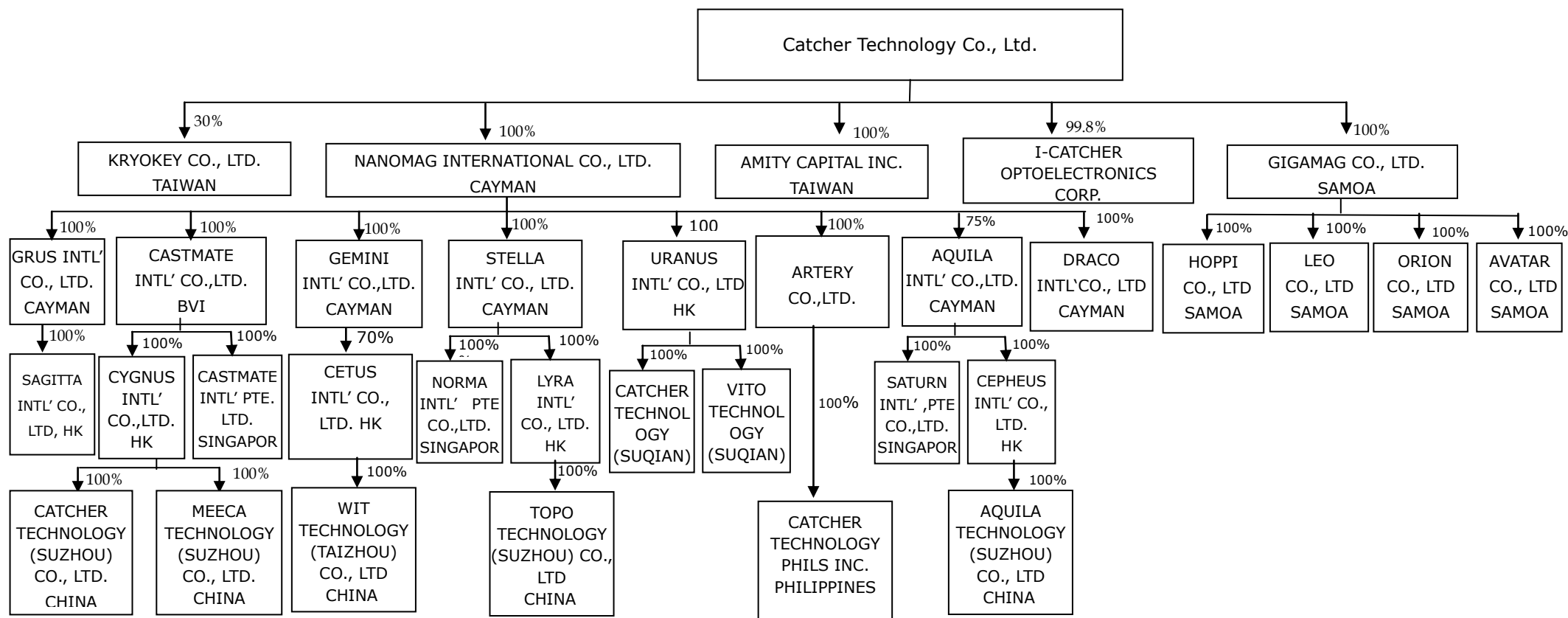
None

## Eight、Special items to be included

### 1. Summary of Affiliated Enterprises

#### (1)The Consolidated Operating Report

##### A. Organizational Chart (2011.12.31)



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

2011/12/31; 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	5,983,389	Investment activities
Gigamag Co., Ltd.	2000.12.15	Offshore Chambers, P.O. Box 217, Apia, Samoa	484,941	Investment activities
Kryokey Co., Ltd.	2007.06.06	1F, No.13, Alley 91, Lane 307, Siaodong Rd., North District, Tainan City 704, Taiwan (R.O.C.)	60,000	Research and Development
Amity Capital Inc.	2007.06.13	1F., No.10, Ln. 138, Ren-Ai St., Yongkang City, Tainan County 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 City, Tainan County 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	673,807	Investment activities
Castmate International Co., Ltd.	1998.04.15	P.O. Box 3443 Road Town, Tortola, British Virgin Islands	1,039,934	Investment activities
Gemini International Co., Ltd.	2005.04.01	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	89,145	Investment activities
Stella International Co., Ltd.	2003.11.13	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	1,424,154	Investment activities
Uranus International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	3,027,735	Investment activities
Artery Co., Ltd.	2001.11.01	Offshore Chambers, P.O. Box 217, Apia Samoa	19,149	Investment activities
Aquila International Co., Ltd.	2005.01.06	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	42,385	Investment activities
Draco International Co., Ltd.	2009.09.24	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	0	Investment activities
Sagitta International Co., Limited	2009.10.21	12th Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong	721,598	Investment activities
Cygnus International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	4,218,678	Investment activities
Castmate International Pte. Ltd.	2007.11.15	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	3,028	Investment activities
Cetus International Co., Limited	2009.12.02	12th Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong	127,155	Investment activities
Norma International Pte. Ltd.	2007.11.16	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	3,028	Investment activities
Lyra International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	2,331,625	Investment activities
Saturn International Pte. Ltd.	2007.11.15	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	3,028	Investment activities

Cepheus International Co., Limited	2007.11.09	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	42,385	Investment activities
Catcher Technology (Suzhou) Co., Ltd.	2001.04.20	201 Suhung Central Rd. Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC.	1,845,678	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	3,849,285	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	4,327,075	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Catcher Technology (Suqian) Co., Ltd.	2008.12.09	No.4, Industrial Square, Suqian Industrial Park, Suqian City, Jiangsu Province, the PRC	3,210,319	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Aquila Technology (Suzhou) Co., Ltd.	2005.03.11	No 7, Chun Huei Rd., Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	55,674	Manufacturing and marketing of electronic parts and molds
Catcher Technology Phils Inc.	2000.11.08	No.24 Innovative Street Subic Bay Industrial Park Phase-1, Subic Bay Freeport Zone, Philippines	4,114	Manufacturing and marketing of aluminum and magnesium alloy parts/molds
Hoppi Co., Ltd.	2001.07.18	Offshore Chambers,P.O.Box 217, Apia Samoa	139,227	International Trading
Avatar Co., Ltd.	2001.07.18	Offshore Chambers,P.O.Box 217, Apia Samoa	210,051	International Trading
Leo Co., Ltd.	2008.11.20	Offshore Chambers,P.O.Box 217, Apia Samoa	454,125	International Trading
Orion Co., Ltd.	2008.11.20	Offshore Chambers,P.O.Box 217, Apia Samoa	151,375	International Trading
Neat International Co., Ltd.	2010.02.01	12/F,Ruttonhee House, 11Dudeell Street, Central Hong Kong	0	International Trading
WIT Technology (Taizhou) Co., Ltd.	2010.04.28	Export Processing Zone of Taizhou E.D.A., Jiangsu	137,766	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts
VITO Technology (Suaian) Co., Ltd.	In progress	NA	NA	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold

### 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. 、Gemini International Co., Ltd. 、Aquila International Co., Ltd. 、 Uranus International Co., Limited 、Grus international Co., Limited 、Draco International Co., Ltd.
Investment activities	Gigamag Co., Ltd.	Invest in Hoppi Co., Ltd. 、Avatar Co., Ltd. 、Leo Co., Ltd. 、Orion Co., Ltd.
Research and Development	Kryokey Co., Ltd.	30% owned by Catcher Technology Co., Ltd.
Investment activities	Amity Capital Inc.	100% owned by Catcher Technology Co., Ltd.
Manufacturing and sales of electronics products	I-Catcher Optoelectronics Corp.	99.80% 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 Castmate International Pte. Ltd. 、Cygnus International Co., Limited
Investment activities	Gemini International Co., Ltd.	Cetus International Co., Limited
Investment activities	Stella International Co., Ltd.	Invest in Norma International Pte. Ltd. 、Lyra International Co., Limited
Investment activities	Uranus International Co., Limited	Invest in Catcher Technology (Suqian) Co., Ltd.
Investment activities	Artery Co., Ltd.	Invest in Catcher Technology Phils Inc.
Investment activities	Aquila International Co., Ltd.	Invest in Saturn International Pte. Ltd. 、Cepheus International Co., Limited
Investment activities	Draco International Co., Ltd.	100% owned by Nanomag International Co., Ltd.
Investment activities	Sagitta International Co., Limited	100% owned by Grus international Co., Limited
Investment activities	Cygnus International Co., Limited	Invest in Catcher Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou) Co., Ltd.
Investment activities	Castmate International Pte. Ltd.	100% owned by Castmate International CO., Ltd.
Investment activities	Cetus International Co., Limited	70% owned by Gemini International Co., Ltd.
Investment activities	Norma International Pte. Ltd.	100% owned by Stella International Co., Ltd.
Investment activities	Lyra International Co., Limited	Invest in Topo Technology (Suzhou) Co., Ltd.
Investment activities	Saturn International Pte. Ltd.	100% owned by Aquila International Co., Ltd.
Investment activities	Cepheus International Co., Limited	Invest in Aquila Technology (Suzhou)Co., Ltd.
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	Meecca Technology (Suzhou) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Catcher Technology (Suqian) 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 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
Investment activities	Neat International Co., Ltd.	Procurement logistics base of business group
Manufacturing and sales of electronics products	WIT Technology (Taizhou) Co., Ltd.	Research and developing, manufacturing and marketing of 3C products
Manufacturing and sales of electronics products	VITO Technology (Suaian) 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: Allen Hung	—	—
	Director	Catcher Technology Co., Ltd. Representative: David Hung	—	—
Gigamag Co., Ltd.	Director & General Manager	Catcher Technology Co., Ltd Representative: Allen Hung	—	—
	Director	Catcher Technology Co., Ltd Representative: David Hung	—	—
Kryokey Co., Ltd.	Director & Chairman	Catcher Technology Co., Ltd Representative: Allen Hung	—	—
	Director	Catcher Technology Co., Ltd Representative: Amy Chen	—	—
	Director	Bothhand Enterprise Inc. Representative: Chang Liang Lin	—	—
	Director	Bothhand Enterprise Inc. Representative: Yung-Min Pan	—	—
	Director	Yu-Ping Hsu	—	—
	Supervisor	Catcher Technology Co., Ltd Representative: Jinnifer Lin	—	—
	Supervisor	Bothhand Enterprise Inc. Representative: Chin-Hsien Huang	—	—
Amity Capital Inc.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Allen Hung	—	—
	Director	Catcher Technology Co., Ltd. Representative: Peter Su	—	—
	Director	Catcher Technology Co., Ltd. Representative: Amy Chen	—	—
	Supervisor	Bothhand Enterprise Inc. Representative: Irene Lin	—	—
I-Catcher Optoelectronics Corp.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Allen 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: Allen Hung	—	—
Castmate International Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: David Hung	—	—
Gemini International Co., Ltd.	Director & Chairman	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
	Director & General Manager	Nanomag International Co., Ltd. Representative: David Hung	—	—
Stella International Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: David Hung	—	—
Uranus International Co., Ltd	Director	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
Artery Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: David Hung	—	—
Aquila International Co., Ltd.	Director & Chairman	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
	Director & General Manager	Nanomag International Co., Ltd. Representative: David Hung	—	—
Draco International Co., Ltd.	Director	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
Sagitta International Co., Ltd.	Director	Grus International Co., Ltd. Representative: Allen Hung	—	—

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	%
Cygnus International Co., Ltd	Director	Castmate International Co., Ltd. Representative: Allen Hung		
Castmate International Pte. Ltd	Director	Castmate International Co., Ltd. Representative: Allen Hung	—	—
	Director	Castmate International Co., Ltd. Representative: David Hung	—	—
	Director	Jia-Guei Wang	—	—
Cetus International Co., Ltd	Director	Gemini International Co., Ltd. Representative: Allen Hung	—	—
	Director	Gemini International Co., Ltd. Representative: Amy Chen	—	—
	Director	Wistron Corporation Representative: Po-Pu Huang	—	—
Norma International Pte. Ltd	Director	Stella International Co., Ltd. Representative: Allen Hung	—	—
	Director	Stella International Co., Ltd. Representative: David Hung	—	—
	Director	Jia-Guei Wang	—	—
Lyra International Co., Limited	Director	Stella International Co., Ltd. Representative: Allen Hung	—	—
Saturn International Pte. Ltd.	Director	Aquila International Co., Ltd. Representative: Allen Hung	—	—
	Director	Aquila International Co., Ltd. Representative: David Hung	—	—
	Director	Jia-Guei Wang	—	—
Cepheus International Co., Limited	Director	Aquila International Co., Ltd. Representative: Allen Hung	—	—
Catcher Technology (Suzhou) Co., Ltd.	Executive Director & General Manager	Cygnus International Co., Limited Representative: Borange Huang		
	Director	Cygnus International Co., Limited Representative: Peter Su		
	Director	Cygnus International Co., Limited Representative: Jodan Yang	—	—
	Supervisor	Cygnus International Co., Limited Representative: Pi-Fen Huang	—	—
Topo Technology (Suzhou) Co., Ltd.	Executive Director & General Manager	Lyra International Co., Limited Representative: Jimmy Chen		
	Director	Lyra International Co., Limited Representative: Nikken Fang		
	Director	Lyra International Co., Limited Representative: Jay Tseng	—	—
	Supervisor	Lyra International Co., Limited Representative: Pi-Fen Huang	—	—
Meeca Technology (Suzhou) Co., Ltd.	Executive Director & General Manager	Cygnus International Co., Limited Representative: Jimmy Chen		
	Director	Cygnus International Co., Limited Representative: Nikken Fang		
	Director	Cygnus International Co., Limited Representative: Jay Tseng	—	—
	Supervisor	Cygnus International Co., Limited Representative: Pi-Fen Hung	—	—
Catcher Technology (Suqian) Co., Ltd.	Executive Director & General Manager	Uranus International Co., Ltd. Representative: Borange Huang		
	Director	Uranus International Co., Ltd. Representative: Peter Su		
	Director	Uranus International Co., Ltd. Representative: Jodan Yang	—	—
	Supervisor	Uranus International Co., Ltd. Representative: Pi-Fen Huang	—	—

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	%
Aquila Technology (Suzhou) Co., Ltd.	Executive Director & General Manager	Cepheus International Co., Limited Representative: Jimmy Chen	—	—
	Director	Cepheus International Co., Limited Representative: Lawrence Kuo	—	—
Aquila Technology (Suzhou) Co., Ltd.	Director	Jia-Guei Wang	—	—
	Supervisor	Cepheus International Co., Limited Representative: Pi-Fen Huang	—	—
Catcher Technology Phils Inc.	Director & General Manager	Artery Co., Ltd. Representative: Allen Hung	—	—
	Director	Artery Co., Ltd. Representative: David Hung	—	—
Hoppi Co., Ltd.	Director & General Manager	Gigamag Co., Ltd. Representative: Allen Hung	—	—
	Director	Gigamag Co., Ltd. Representative: David Hung	—	—
Avatar Co., Ltd.	Director & General Manager	Gigamag Co., Ltd. Representative: Allen Hung	—	—
	Director	Gigamag Co., Ltd. Representative: David Hung	—	—
Leo Co., Ltd.	Director	Gigamag Co., Ltd. Representative: Allen Hung	—	—
Orion Co., Ltd.	Director	Gigamag Co., Ltd. Representative: Michael Yeh	—	—
Neat Internation Co. Limited	Director	Nanomag International Co., Ltd. Representative: Allen Hung	—	—
WIT Technology (Taizhou) Co., Ltd.	Director	Cetus International Co., Limited Representative: David Hung	—	—
VITO Technology (Suaian) Co., Ltd.	Director	Uranus International Co., Ltd. Representative: Borange Huang	—	—
	Director	Uranus International Co., Ltd. Representative: Peter Su	—	—
	Director	Uranus International Co., Ltd. Representative: Jodan Yang	—	—
	Director	Uranus International Co., Ltd. Representative: Pi-Fen Huang	—	—

## F. Summarized Operation Results of Affiliated Enterprises

2011/12/31; 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 (\$)
Nanomag International Co., Ltd.	1,039,934	24,624,091	2,898,902	21,725,189	0	-51	4,298,763	125.15
Gigamag Co., Ltd.	484,941	15,947,262	10,927,685	5,019,577	4,904,396	866,160	472,504	32.86
Catcher Technology Phils Inc.	4,114	1,752	15	1,737	0	0	-11	-0.02
Castmate International Co., Ltd.	5,983,389	44,092,929	6,392	44,086,537	0	-178	7,440,740	38.12
Hoppi Co., Ltd.	139,227	3,221,452	565,499	2,655,953	384,878	-223,968	-195,086	-42.42
Avatar Co., Ltd.	210,051	3,538,110	1,579,601	1,958,509	337,183	-77,070	-139,815	-20.15
Catcher Technology (Suzhou) Co., Ltd.	1,845,678	8,597,349	3,323,217	5,274,132	8,129,298	2,644,334	2,068,802	0.00
Artery Co., Ltd.	19,149	1,776	515	1,261	0	0	-11	-0.02
Stella International Co., Ltd.	1,424,154	14,578,919	63	14,578,856	0	-2	2,587,592	55.01
Topo Technology (Suzhou) Co., Ltd.	3,849,285	16,829,293	6,178,625	10,650,668	12,359,517	3,325,724	2,666,174	0.00
Aquila International Co., Ltd.	42,385	420,587	4,778	415,809	0	-4,439	89,114	63.65
Aquila Technology (Suzhou) Co., Ltd.	55,674	510,212	96,934	413,278	510,669	130,822	93,853	0.00
Gemini International Co., Ltd.	89,145	1,918	129	1,789	0	0	-86,951	-29.53
Meecca Technology (Suzhou) Co., Ltd.	4,327,075	18,696,578	7,929,437	10,767,141	9,840,860	2,417,687	2,371,861	0.00
Kryokey Co., Ltd.	60,000	46,552	191	46,361	0	-628	-1,424	-0.24
Amity Capital Inc.	29,000	9,398	239	9,159	0	-123	-74	-0.03
I-Catcher Optoelectronics Corp.	5,000	3,989	1	3,988	0	-12	19	0.04
Cygnus International Co., Ltd.	4,218,678	19,744,555	271	19,744,284	0	-202	4,262,976	30.59
Cepheus International Co., Ltd.	42,385	413,391	70	413,321	0	-106	93,748	66.96
Lyra International Co., Ltd.	2,331,625	12,811,768	172	12,811,596	0	-106	2,564,500	33.30
Uranus International Co., Ltd.	3,027,735	4,063,232	213	4,063,019	0	-168	745,760	7.46
Castmate International	3,028	2,587	105	2,482	0	-173	-158	-1.58

Pte. Ltd.								
Norma International Pte. Ltd.	3,028	2,587	105	2,482	0	-173	-158	-1.58
Saturn International Pte. Ltd.	3,028	2,587	99	2,488	0	-236	-221	-2.21
Catcher Technology (Sugian) Co., Ltd.	3,210,319	10,227,528	6,164,359	4,063,169	2,374,883	881,826	745,928	0.00
Leo Co., Ltd.	454,125	2,732,973	2,265,621	467,352	10,791,729	-2,829	53	0.00
Orion Co., Ltd.	151,375	1,275,522	1,038,244	237,278	1,116,646	-6,798	244	0.05
Draco International Co., Ltd.	0	0	0	0	0	0	0	0.00
Grus international Co., Limited	673,807	748,429	0	748,429	0	0	46,957	2.11
Sagitta International Co., Limited	721,598	802,032	64	801,968	0	-100	50,491	2.12
Cetus International Co., Limited	127,155	2,950	398	2,552	0	-92	-124,216	-42.25
Neat International Co. Limited	0	0	0	0	0	0	0	0.00
WIT Technology (Taizhou) Co., Ltd.	137,766	14,943	12,012	2,931	0	-1,519	-124,124	0.00

## **(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, 2011 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 ROC Statement of Financial Accounting Standards No. 7. 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: Allen Hung



2012/03/07

**(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 35 of the Securities and Exchange Law of the R.O.C.**

None.



**Appendix 1 、 Financial Statements audited by  
accountant during the most recent fiscal year**

**Catcher Technology Co., Ltd.**

**Financial Statements for the  
Years Ended December 31, 2011 and 2010 and  
Independent Auditors' Repor**