

# CATCHER TECHNOLOGY CO., LTD

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## 2019 ANNUAL SHAREHOLDERS' MEETING

(Translation)

June 12, 2019

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Note:

• Minutes of 2019 Annual Shareholders' Meeting will be available on CATCHER's website (<http://www.catcher-group.com>) within 20 days after the Meeting.

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#### DISCLAIMER:

For the convenience of readers, the procedure, agenda, attachments, and appendix of CATCHER's Annual Shareholders' meeting have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

# **I. MEETING PROCEDURE**

## **CATCHER TECHNOLOGY CO., LTD**

### **2019 ANNUAL SHAREHOLDERS' MEETING PROCEDURE**

- I. Call Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Matters for Ratification
- V. Matters for Discussion & Election
- VI. Elections: To elect all board directors
- VII. Other Business and Special Motion
- VIII. Meeting Adjourned

## **II. MEETING AGENDA**

### **CATCHER TECHNOLOGY CO., LTD 2019 ANNUAL SHAREHOLDERS' MEETING AGENDA (Translation)**

The 2019 Annual Shareholders' Meeting (the "Meeting") of Catcher Technology Co., Ltd. (the "Company") will be convened at 10:00 a.m., Wednesday, June 12, 2019 at Tayih Landis Tainan Hotel (5F, No. 660, Section 1, Shi-Men Road, Tainan City, Taiwan ROC)

1. The agenda for the Meeting is as follows:

#### **I. Report Items**

- (1) To report the business of 2018
- (2) Audit Committee's review report of 2018
- (3) To report the distribution of compensation for employees and directors

#### **II. Matters for Ratification**

- (1) To accept 2018 Business Report and Financial Statements
- (2) To approve the proposal for distribution of 2018 profits

#### **III. Matters for Discussion & Election**

- (1) To amend the Article of Incorporation
- (2) To amend the rules and procedures of Shareholders' Meeting
- (3) To amend the procedures for acquisition or disposal of assets
- (4) To amend the procedures for endorsements and guarantees
- (5) To amend the guidelines for lending of capital
- (6) To raise funds through issuing new shares or GDR
- (7) To elect new Directors
- (8) To cancel the prohibition on competitive activities of new directors and representatives

#### **IV. Other Business and Special Motion**

2. The major items of the proposal for distribution of 2018 profits adopted at Board of Directors meeting are as follows:

Each common share holder will be entitled to receive a cash dividend of NT\$12.0 per share. The record date will be decided by the Board of Directors.

3. Elections: To Elect all board directors

- (1) There will be seven Directors (including three independent directors) elected at the Meeting.
- (2) Candidates of Directors: Hung Shui-Shu, Hung Tien-Szu, Hung Shui-Sung, Lei Mon-Huan  
Candidates of Independent Directors: Tseng Wen-Che, Liang Tsorng Juu, Cheng Ming-Yang
- (3) Education and experience of the candidates: please refer to [<http://mops.twse.com.tw>]
- (4) The shareholders' meeting will take electronic voting system, from May 11 to June 9. Please refer to <https://mops.twse.com.tw> for details.

## 1. Report Items

1. To report the business of 2018

Explanatory Notes: Please refer to Attachment I.

2. Audit Committee's review report of 2018

Explanatory Notes: Please refer to Attachment II.

3. To report the distribution of compensation for employees and directors

Explanatory Notes: Please refer to Attachment III

## 2. Matters for Ratification

1. To accept 2018 Business Report and Financial Statements

Explanatory Notes: (1) CATCHER's 2018 Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Shareholders' Equity, and Cash Flow Statements, were approved by board of directors. The Financial Statements were audited by independent auditors, Ms. Chi Chen Lee and Mr. Chun Chi Kung, of Deloitte & Touche and also reviewed by Audit Committee. The aforementioned Financial Statements and Auditors' report are attached hereto as Attachments IV. (2) Please accept the 2018 Business Report, Financial Statements, and Consolidated Financial Statements.

2. To approve the proposal for distribution of 2018 profits

Explanatory Notes: (1) The proposed profits distribution is allocated from Retained Earnings in 2018 Available for Distribution. Please accept the proposal for profits distribution as below, which was approved by Board of Directors in accordance with Articles of Incorporation. (2) The total proposed cash dividend amounts are NTD 9,244,692,828 equivalent to NTD 12 per share based on 770,391,069 outstanding shares as of the book closure date of 2019 Annual General Meeting. The total amount of common shares outstanding may change and the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly. (3) It is proposed that the Board of Directors of CATCHER should be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

CATCHER Technology

Profits Distribution for 2018

Unit: NTD

Retained Earnings at the beginning of this period	\$80,223,186,889
Adjustment in Retained Earnings from equity-method investment	4,537
Adjustment in Retained Earnings from benefit plans	<u>676,843,217</u>
Retained Earnings after adjustment	80,900,034,643
Profits for current year	27,972,188,423
Minus: Special Reserve	<u>(1,203,261,545)</u>
Minus: Legal Reserve	<u>(2,797,218,842)</u>
Retained Earnings Available for Distribution	104,871,742,679
Dividends- Cash (NTD 12 per share)	<u>(9,244,692,828)</u>
Retained Earnings at the end of this period	<u><u>\$95,627,049,851</u></u>

(1) The dividends distributed come from 2018 profits

- (2) The cash dividend will be rounded till dollar. All cash dividend less than one dollar will be transferred into other revenues of the company.

### **3. Matters for Discussion & Election**

1. To amend the Article of Incorporation

Explanatory Notes: To adapt to the candidate nomination system of directors, the company is amending its “Articles of Incorporation”. Please refer to Attachment V

2. To amend the rules and procedures of Shareholders' Meeting

Explanatory Notes: The company is amending its “The Rules and Procedures of Shareholders' Meeting”. Please refer to Attachment VI

3. To amend the procedures for acquisition or disposal of assets

Explanatory Notes: The company is amending its “The Procedures for Acquisition or Disposal of Assets”. Please refer to Attachment VII

4. To amend the procedures for endorsements and guarantees

Explanatory Notes: The company is amending its “The Procedures for Endorsements and Guarantees”. Please refer to Attachment VIII

5. To amend the guidelines for lending of capital

Explanatory Notes: The company is amending its “The Guidelines for Lending of Capital”. Please refer to Attachment IX

6. To raise funds through issuing new shares or GDR

Explanatory Notes:

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

I. Authorizing Board for the Issuance of new common shares for cash to sponsor GDR Offering :

- (i) The issuance of new shares is limit to a maximum of 50,000,000 shares. The Board of Directors and Chairman of CATCHER are authorized to adjust the new issuance of the common shares based on the aforementioned maximum quota.
- (ii) The issue price of the new common shares will be decided with reference to the closing price of the Company's common shares on the pricing date or the average of the closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date (referred to hereinafter as the "reference price"). The actual price shall not be less than 90% of the reference price. The Chairman is authorized to determine the actual issue price in accordance with market conditions or regulation requirements. The reference price and the actual price will be decided in accordance with market practice and applicable law. In addition, assuming that the Company issues 50,000,000 common shares which are approximately 6.5% of the Company's total outstanding common shares prior to the record date for the Company's 2018 annual shareholders meeting. Given that the issuance of new shares is going to enhance company's competitiveness and then increase shareholders' value, thus it is unlikely that such issuance will have a material dilutive effect on the holding of the current existing shareholders.
- (iii) Except for 10% -15% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the

shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depositary shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, depending on the market needs, to be allocated as underlying shares of the global depositary shares or to be subscribed by the designated person(s).

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

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

- (i) The issuance of new shares for cash in public offering is limit to a maximum of 50,000,000 shares.
- (ii) The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' Assistance in Offering and Issuance of Securities by Issuing Companies and the market conditions which issue price shall be reported to the regulatory authority before issuance.
- (iii) It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s) :
  - (a) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
  - (b)
    - (1) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.  
The Chairman is authorized to choose the method of issuance in public offering, and to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.
    - (2) It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' Assistance in Offering and Issuance of Securities by Issuing Companies and the market conditions which issue price shall be reported to the regulatory authority before issuance.

- (iv) The rights of the new shares are equivalent to the current outstanding shares’.
- (v) The uses of the proceeds of this issuance are for building facilities or purchasing factories, equipment, materials, or to repay bank loans, re-invest, enrich working capital, which are expect to complete in 3 years. The execution of the plan is expected to enhance the competitiveness and the operating efficiency of the Company, which shall benefit the shareholders.
- (vi) The Board/Chairman are authorized to determine or adjust the major terms of this new issuance , including but not limit to the issue price, shares issuance/amount, terms, uses/sources of fund, schedule, and results etc., with consideration the market condition or regulatory requirements.
- (vii) After the approval of this offering by authorities, the Chairman is authorized to determine the matters related to the issuance, including but not limit to record date...etc.
- (viii) The board is authorized to handle, complete, or adjust all the process or issues with regard to the issuance of new shares, according to any market condition or regulatory requirement.
- (ix) The Chairman is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

#### 7. To elect new Directors

Explanatory Notes: There will be seven Directors (including three independent directors) elected at the Meeting. Please refer to Attachment X for details. Please refer to Appendix III for “The Rules for Election of Directors”

#### 8. To cancel the prohibition on competitive activities of new directors and representatives

Explanatory Notes: The newly elected director of the company may have invested or operated other companies with the same or similar business scope as the company. According to Article 209, if this matter does not impact the company’s benefit, the company can propose to cancel the prohibition. It is proposed to request the shareholders' meeting to agree to cancel the prohibition on competitive activities of new directors and representatives.

### **4. Other Business and Special Motion**



# Attachment I

## 2018 Business Report

Dear Shareholders,

Due to the intensified global trade relationship, rate hike in US, protectionism, Brexit etc., the global politics and economy were volatile in 2018. In general, there are still challenges to corporate which faces unstable regional politics, uncertain & volatile seasonality. Catcher Technology still managed to record a growth in 2018. Revenue hit another historical record high at NT\$95.4bn, up 2.3% yoy from NT\$93.3bn in 2017.

In the past year, Catcher not only strengthened its position in the supply chain, but also reinforced the relationship with customers. Catcher moves forward with more solid and diversified in operation and technologies. As for products, Catcher continues to strengthen its leading position by adding wearable devices. With better automation and execution capabilities, Catcher continues to perform above-industry financial results.

Catcher, as the leading global brand in the structure component, has the most complete process matrix capability, client bases, and production line. In the long term, Catcher still sees the growth trend in the industry, and will continue to utilize its diversified material, process, innovation, production techniques, vertical integration, leading automation, the best cost structure, and high sales scale, to raise the entry barriers of the structure component industry, and reinforce the leading position in the market.

Looking forward to 2019, the global economy will face lots of uncertainty. Catcher will take a stable approach. In addition to existing products, we will more aggressively introduce with new products and new customers. We will leverage our superior industry position and diversification as the short-mid-long term growth drivers.

### Industry Development and Outlook

In this competitive smart device industry, innovation, quality, and value are still the focuses of brand customers. In smartphone, notebook, and tablet PC, companies with mid-high end products still enjoy higher earnings than peers. Hence, brand customers are adding mid-high end products' portion, at the same time increasing shipment. With this trend, we see rising adoption rate of high-end metal and composite material. Clients continue to enhance level of complexity, and develop new surface treatment technologies with casing suppliers, which contribute to the high customization, high complexity, high degree of difficulties of casing production. Catcher continues to fully utilize various materials, different process, the best execution, and mass production capabilities, to deliver the best result for clients.

Although there are numerous number of material and process on the market, only metal can provide this best-in-class quality, structure, intensity, and complete protection for the casing. In the high-end structure component, metal structure components possess the most complete supply chain, and best cost structure for mass production. Metal plus unibody process can provide high quality, lightness, thinness, and firmness, which cannot be replaced by other material or process. Besides, metal is a green material, which can be fully recycled for the best benefit of the globe. The large capacity requirement, along with the features mentioned above, we see a more predictable trend for material, process, and design in casing sector. For the mid-high end products, metal is still the best solution. Either aluminum, or stainless steel; the whole casing or frame design, belongs to the definition of "unibody", and is the main product and competitive advantage of Catcher.

In 2018, many global smartphone brands released smartphones with the design of frame plus glass cover. This design didn't diminish the importance of metal, but actually enhance it, due to the higher complexity, thinner design, and higher strength. This corresponded to Catcher's view- more predictable in material and process.

## Financial performance

The consolidated revenue of the Catcher Group in 2018 was NT\$95.4 billion. The consolidated gross profit margin of the group was 40%. The consolidated net profit after tax was NT\$27.97 billion, and the basic earnings per share was NT\$36.31.

### Operation Results (Group)

Unit: in thousand NTD

Item	2018		2017	
	Amount	%	Amount	%
Sales revenues	95,416,141	100%	93,295,960	100%
Gross Profit	38,624,196	40%	41,969,517	45%
Operating income	29,604,362	31%	33,433,242	36%
Income before tax	41,319,136	43%	32,745,218	35%
Net income	27,972,188	29%	21,843,250	23%

### Profitability (Group)

Item		2018	2017
Return on assets		12%	11%
Return on equity		20%	17%
Percentage of capital	Operating income	384%	434%
	Income before tax	536%	425%
Net income to sales		29%	23%
EPS (NTD)		\$36.31	\$28.58

## Research and Development

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

The current directions in research and development include special magnesium alloys, aluminum alloys, stainless steel, carbon (glass) fiber, plastic casing, glass, powder and other metal applied on products' casing and structural design. Catcher offers customers with one-stop shopping solutions based on the complete and strong technology matrix. In addition, the company also adopts laser engraving of components, along with seamless welding, metal /plastic injection mold techniques, etching and multi-color surface treatment techniques, and high precision extrusion techniques for large metal casing in smartphones, notebooks and tablets to achieve the high quality. Besides, the company also invests a lot of effort in extending into other niche products.

With the handheld devices moving toward high frequency, high speed, and high computing, 5G/heat dissipation become critical issues. Catcher will dedicate more research resources in this area as this could be a challenge and opportunity to Catcher and other peers.

## Business strategies

Catcher will also continue its investment in production automation, which has already

contributed significantly to the production management. Therefore, it is the key to enhance the production stability, productivity, and expand the capacity further. We will aim to actively achieve human resource optimization and accumulate resources for progress. To boost the company's growth, we will continue our development of core products and technologies, expansion of new customers, and diversification of applications.

Catcher continues to expand its factories in Taiwan, Suqian, and Taizhou in 2018. The diversification and allocation of our facilities is also on going. We expect to achieve optimal allocation among three sites. Therefore, the risk of sole factory site and the impact from volatile market and operating environmental can be reduced.

Besides achieving business goals, Catcher also put efforts in Corporate Social Responsibility. Catcher formed a team focusing on corporate social responsibility, publishing corporate social responsibility report, investing in green energy, promoting the investigation on greenhouse-gas, set goal of energy saving and carbon reduction, attended charitable activities, earned Sports Enterprise Certification, and enhanced the communication with stakeholders

### **Important sales policies**

In terms of the outlook of the metal casing business: smartphones will grow significantly to replace the feature phones and will further penetrate into more markets and customers. We also see higher adoption rate of mid-high end smartphones, and expect smartphones to continue to be the largest growth driver in the next few years. We also see notebook brands lean toward the slim design and the adoption of tablets also indicates the trend of thin and light. Wearable devices also adopt metal casing design, and could be one of the growth drivers in the future. Overall, looking at the design trend of each consumer electronic device mentioned above, metal will be the best solution.

The visibilities of main customers in choosing the materials and suppliers is still high. Catcher will also fully utilize its competitive advantages to continuously increase capacity at a steady pace to meet customers' demands and to gradually implement fastest manufacturing/sales support for the customers. In order to achieve instant customer services, sales, manufacturing, and R&D will be closer to the customers with the aim to progress at the same pace as the customers.

### **Effects of external competition, legislative environment, and macro environment**

In terms of external competition, the gross profit in the IT electronics industry will be increasingly compressed as technology progresses in leaps and bounds and new products are being constantly launched. The general positive outlook of metal component parts is drawing a wave of new competitors, creating a significant amount of pressure on the existing businesses. However, competition is inevitable and serves to maintain positive catalyst among this industry. In order to ensure our leading position, the company pays close attention to the markets and technological development and changes by collecting and analyzing the information on different materials and manufacturing process. The objective is to reduce the impact of changes in technology while continuing to enhance advanced technologies. In addition to investing in basic material science, the company also reinforces development in different material molding as well as processing and surface treatments, enhances core R&D techniques, and diversifies its products and lift them onto higher levels to secure and stabilize profits. Excellent production techniques and huge capacity will be utilized to provide premium customer services in order to strengthen 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. In addition, the tier-1 brand customers set the high requirement on its suppliers' code and demand all of the vendors to comply strictly. 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, it becomes more difficult to anticipate the changes and volatilities. The company will take into account the industry conditions and

macroeconomics, and carefully evaluate and select the best strategies.

### **Business outlook and targets**

The focus of development for Catcher will be on three segments: smartphones, tablets, and notebooks. In 2018, we added wearable devices as the new category. Catcher expects more new products from this area, and we will continue to explore new products and customers into the other sectors.

For smartphone market in 2018, IDC and Morgan Stanley indicated the shipment of smartphones was around 1.452 billion, down 1% y-y from 1.462 billion last year. They also estimates the smartphone will increase to 1.485 billion units in 2019, up 2% y-y , and up 1% to 1.504 billion units in 2020. Smartphone market remains challenging in 2019 and we expect a volatile year ahead. High value-added and product differentiation will be the fundamental for tier 1 brands to expand market share. Moreover, due to the trend of being larger screen size, thinner, lighter and fashions for smartphones, metal casing has become one of the must-have specifications no matter what kind of design. The trend of metal casing design also leads to the “bigger gets bigger” in the industry. As a result, smartphones remain one of the main growth drivers for the Company.

IDC and Morgan Stanley stated notebook shipments of 2018 were 163.7 million, compared to 160.1 million units in 2017, up 2% y-y. They estimate that the NB will flattish in 2019 at 163.8 million units in 2019 and 163.8 million in 2020. Overall notebook market will stabilize and it is still one of important part for our sales revenue. We expect to see growth in NB business , due to higher spec and higher adoption rate.

IDC and Morgan Stanley indicated the shipment of Tablet PC in 2018 was around 150 million units, compared with 163.8 million in 2017, down by 8%. They forecast that tablet will decrease 8% to 138.0/127.4 million units in 2019/2020. Compared to notebook, tablet is more convenient and thus it requires higher strength and better outlook. Therefore, tablet will continue to be one of the important products for metal casing vendors.

Looking ahead 2019, the mobile devices market should not be optimistic with the impact from uncertain global politics and economies. Catcher will take more cautious and stable strategies to strengthen existing market position, and at the same time expand to the other products as the future growth drivers.

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

Chairman Shui-Shu Hung



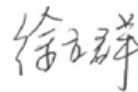
## **Attachment II:**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2018 Financial Statements. Independent auditors, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Catcher Technology Co., Ltd.

Audit Committee convener

Handwritten signature in Chinese characters, likely reading '徐群' (Xu Qun).

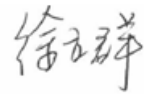
March 6, 2019

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2018 business report, and Earning Distribution Statement for the year of 2018. The business report, and Earning Distribution Statement have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Catcher Technology Co., Ltd.

Audit Committee convener

Handwritten signature in Chinese characters, likely reading '徐群' (Xu Qun).

March 6, 2019

### **Attachment III:**

## **Distribution of Compensation for Employees and Directors**

The Distribution for compensation to Directors and Employees

On March 6, 2019 the Board of Directors resolved the dividends distribution in cash:

<b>Item</b>	<b>Proposed amount</b>
Directors' Compensation	\$ 16,892,475
Employees' Compensation	\$ 1,844,382,573

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

**Attachment IV:**  
**Independent Auditor's Report and 2018 Financial Statements**



## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Catcher Technology Co., Ltd. (the Company) and its subsidiaries (collectively, the Group), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph below), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Taiwan, the Republic of China (ROC).

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matters of the Group's consolidated financial statements for the year ended December 31, 2018 is as follows:

As stated in Notes 4(f), 5(b) and 13 to the accompanying consolidated financial statements, as of December 31, 2018, the Group's net inventory amounted to NT\$25,184,994 thousand (after obsolescence loss of NT\$1,602,392 thousand was deducted). Such inventory loss represents approximately 6% of the total inventory. The Group operates in a fast-changing industry whereby developments in product technology and market demand may result in slow moving or obsolete inventory. Because the evaluation of inventory impairment and obsolescence loss involves management's material estimations, we deemed such valuation to be a key audit matter.

Our main audit procedures performed in regard of this key audit matter include:

- We determined the appropriateness of the Group's methodology for the evaluation of inventory impairment and obsolescence loss based on our understanding of the business and industry, coupled with our understanding of the nature and aging of the inventory.
- We obtained the valuation report for the net realizable value of the inventory and assessed the reasonableness of the inventory valuation by sampling inventory items and comparing the carrying amounts to the latest sales prices.
- We observed the year end inventory counts and inspected the condition of the inventory and determined the appropriateness of the recognized inventory impairment and obsolescence loss.

#### **Other Matter**

We did not audit the financial statements of one associate, Sinher Technology Co., Ltd. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts for this associate, is based solely on the report of the other auditors. The amount of the equity method investment in the abovementioned associate was NT\$0 and NT\$383,335 thousand, or 0% and 0.18% of the Group's consolidated total assets as of December 31, 2018 and 2017, respectively. The Group's share of the comprehensive income recognized under the equity method was NT\$30,638 thousand and NT\$35,600 thousand, or 0.11% and 0.20% of the Group's consolidated comprehensive income, for the years ended December 31, 2018 and 2017, respectively.

We have also audited the parent company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2018 and 2017 on which we have issued an unqualified opinion modified report.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by FSC of Taiwan, the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chi Chen Lee and Chun Chi Kung.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 6, 2019

Notice to Readers

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

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

#### DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 29,304,500	11	\$ 17,016,764	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	341,864	-	-	-
Financial assets at amortized cost - current (Notes 4 and 9)	113,057,073	44	-	-
Debt investments with no active market - current (Notes 4 and 11)	-	-	89,617,629	42
Notes receivable (Notes 4 and 12)	33	-	-	-
Accounts receivable (Notes 4, 5 and 12)	25,023,569	10	32,128,919	15
Other receivables (Note 4)	740,196	-	454,213	-
Current tax assets (Note 28)	-	-	1,169	-
Inventories (Notes 4, 5 and 13)	25,184,994	10	9,292,285	4
Prepayments for leases (Note 19)	44,660	-	45,427	-
Other current assets (Note 20)	<u>2,808,349</u>	<u>1</u>	<u>2,879,871</u>	<u>2</u>
Total current assets	<u>196,505,238</u>	<u>76</u>	<u>151,436,277</u>	<u>71</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	294,235	-	-	-
Available-for-sale financial assets - non-current (Notes 4 and 10)	-	-	58,500	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	874	-	-	-
Investments accounted for using the equity method (Notes 4 and 15)	-	-	539,922	-
Property, plant and equipment (Notes 4 and 16)	50,264,399	20	52,066,481	25
Investment properties (Notes 4 and 17)	592,731	-	239,892	-
Other intangible assets (Notes 4 and 18)	125,689	-	81,700	-
Deferred tax assets (Notes 4 and 28)	6,160,943	2	5,003,855	2
Long-term prepayments for leases (Note 19)	1,900,151	1	1,978,980	1
Other non-current assets (Note 20)	<u>1,315,653</u>	<u>1</u>	<u>2,458,355</u>	<u>1</u>
Total non-current assets	<u>60,654,675</u>	<u>24</u>	<u>62,427,685</u>	<u>29</u>
TOTAL	<u>\$ 257,159,913</u>	<u>100</u>	<u>\$ 213,863,962</u>	<u>100</u>

LIABILITIES AND EQUITY	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 21)	\$ 73,633,259	29	\$ 48,025,172	22
Contract liabilities - current (Notes 4 and 26)	35,176	-	-	-
Notes payable (Note 22)	29,271	-	173,386	-
Accounts payable (Note 22)	14,165,288	5	11,851,920	6
Other payables (Note 23)	9,896,239	4	9,496,564	4
Current tax liabilities (Notes 4 and 28)	3,925,637	1	4,511,274	2
Other current liabilities (Note 23)	<u>2,305,614</u>	<u>1</u>	<u>3,267,944</u>	<u>2</u>
Total current liabilities	<u>103,990,484</u>	<u>40</u>	<u>77,326,260</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 28)	36,897	-	54,879	-
Net defined benefit liabilities - non-current (Notes 4 and 24)	6,552	-	6,551	-
Other non-current liabilities (Note 23)	<u>1,801,665</u>	<u>1</u>	<u>3,341,593</u>	<u>2</u>
Total non-current liabilities	<u>1,845,114</u>	<u>1</u>	<u>3,403,023</u>	<u>2</u>
Total liabilities	<u>105,835,598</u>	<u>41</u>	<u>80,729,283</u>	<u>38</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital - ordinary shares	<u>7,703,911</u>	<u>3</u>	<u>7,703,911</u>	<u>4</u>
Capital surplus	<u>20,238,740</u>	<u>8</u>	<u>20,270,956</u>	<u>9</u>
Retained earnings				
Legal reserve	15,607,700	6	13,423,375	6
Special reserve	6,207,055	3	2,487,529	1
Unappropriated earnings	<u>108,872,223</u>	<u>42</u>	<u>95,371,730</u>	<u>45</u>
Total retained earnings	<u>130,686,978</u>	<u>51</u>	<u>111,282,634</u>	<u>52</u>
Other equity	<u>(7,410,316)</u>	<u>(3)</u>	<u>(6,207,055)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	151,219,313	59	133,050,446	62
NON-CONTROLLING INTERESTS	<u>105,002</u>	<u>-</u>	<u>84,233</u>	<u>-</u>
Total equity	<u>151,324,315</u>	<u>59</u>	<u>133,134,679</u>	<u>62</u>
TOTAL	<u>\$ 257,159,913</u>	<u>100</u>	<u>\$ 213,863,962</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 6, 2019)

**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 4 and 26)	\$ 95,416,141	100	\$ 93,295,960	100
OPERATING COSTS (Notes 13, 16, 24 and 27)	<u>56,791,945</u>	<u>60</u>	<u>51,326,443</u>	<u>55</u>
GROSS PROFIT	<u>38,624,196</u>	<u>40</u>	<u>41,969,517</u>	<u>45</u>
OPERATING EXPENSES (Notes 24 and 27)				
Selling and marketing expenses	582,933	-	442,407	-
General and administrative expenses	6,418,008	7	6,433,956	7
Research and development expenses	<u>2,018,893</u>	<u>2</u>	<u>1,659,912</u>	<u>2</u>
Total operating expenses	<u>9,019,834</u>	<u>9</u>	<u>8,536,275</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>29,604,362</u>	<u>31</u>	<u>33,433,242</u>	<u>36</u>
NON-OPERATING INCOME AND EXPENSES (Note 27)				
Interest income	2,883,113	3	1,541,320	1
Other income	4,416,882	5	3,763,029	4
Foreign exchange gains (losses), net	4,690,138	5	(5,832,245)	(6)
Other gains and losses	176,122	-	111,218	-
Interest expenses	(470,027)	(1)	(317,104)	-
Share of profit of associates	<u>18,546</u>	<u>-</u>	<u>45,758</u>	<u>-</u>
Total non-operating income and expenses	<u>11,714,774</u>	<u>12</u>	<u>(688,024)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	41,319,136	43	32,745,218	35
INCOME TAX EXPENSE (Notes 4 and 28)	<u>13,324,283</u>	<u>14</u>	<u>10,887,619</u>	<u>12</u>
NET PROFIT	<u>27,994,853</u>	<u>29</u>	<u>21,857,599</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain / (loss) on investments in equity instruments at fair value through other comprehensive income	668,323	1	-	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>5</u>	<u>-</u>	<u>8</u>	<u>-</u>

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
	<u>668,328</u>	<u>1</u>	<u>8</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 25)	(1,199,766)	(1)	(3,714,162)	(4)
Share of the other comprehensive loss of associates accounted for using the equity method (Note 25)	<u>3,129</u>	<u>-</u>	<u>(12,426)</u>	<u>-</u>
	<u>(1,196,637)</u>	<u>(1)</u>	<u>(3,726,588)</u>	<u>(4)</u>
Other comprehensive loss for the year, net of income tax	<u>(528,309)</u>	<u>-</u>	<u>(3,726,580)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 27,466,544</u>	<u>29</u>	<u>\$ 18,131,019</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 27,972,188	29	\$ 21,843,250	23
Non-controlling interests	<u>22,665</u>	<u>-</u>	<u>14,349</u>	<u>-</u>
	<u>\$ 27,994,853</u>	<u>29</u>	<u>\$ 21,857,599</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 27,445,775	29	\$ 18,123,732	19
Non-controlling interests	<u>20,769</u>	<u>-</u>	<u>7,287</u>	<u>-</u>
	<u>\$ 27,466,544</u>	<u>29</u>	<u>\$ 18,131,019</u>	<u>19</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 36.31</u>		<u>\$ 28.35</u>	
Diluted	<u>\$ 35.87</u>		<u>\$ 28.03</u>	

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

(With Deloitte & Touche auditors' report dated March 6, 2019)

(Concluded)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
	Retained Earnings					Exchange Differences on Translating Foreign Operations				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2017	\$ 7,703,911	\$ 20,269,657	\$ 11,221,396	\$ 2,377,902	\$ 83,543,989	\$ (2,487,529)	\$ -	\$ 122,629,326	\$ 200,726	\$ 122,830,052
Appropriation of the 2016 earnings										
Legal reserve	-	-	2,201,979	-	(2,201,979)	-	-	-	-	-
Special reserve	-	-	-	109,627	(109,627)	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,703,911)	-	-	(7,703,911)	-	(7,703,911)
Changes in capital surplus from donations from shareholders	-	1,666	-	-	-	-	-	1,666	-	1,666
Net profit for the year ended December 31, 2017	-	-	-	-	21,843,250	-	-	21,843,250	14,349	21,857,599
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	8	(3,719,526)	-	(3,719,518)	(7,062)	(3,726,580)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	21,843,258	(3,719,526)	-	18,123,732	7,287	18,131,019
Disposals of investments accounted for using the equity method (Note 15)	-	(367)	-	-	-	-	-	(367)	-	(367)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(123,780)	(123,780)
BALANCE, DECEMBER 31, 2017	7,703,911	20,270,956	13,423,375	2,487,529	95,371,730	(6,207,055)	-	133,050,446	84,233	133,134,679
Appropriation of the 2017 earnings										
Legal reserve	-	-	2,184,325	-	(2,184,325)	-	-	-	-	-
Special reserve	-	-	-	3,719,526	(3,719,526)	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,244,692)	-	-	(9,244,692)	-	(9,244,692)
Changes in capital surplus from donations from shareholders	-	305	-	-	-	-	-	305	-	305
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	995	-	-	-	-	-	995	-	995
Net profit for the year ended December 31, 2018	-	-	-	-	27,972,188	-	-	27,972,188	22,665	27,994,853
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	5	(1,194,741)	668,323	(526,413)	(1,896)	(528,309)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	27,972,193	(1,194,741)	668,323	27,445,775	20,769	27,466,544
Disposals of investments accounted for using the equity method (Note 15)	-	(33,516)	-	-	-	-	-	(33,516)	-	(33,516)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	676,843	-	(676,843)	-	-	-
BALANCE, DECEMBER 31, 2018	<u>\$ 7,703,911</u>	<u>\$ 20,238,740</u>	<u>\$ 15,607,700</u>	<u>\$ 6,207,055</u>	<u>\$ 108,872,223</u>	<u>\$ (7,401,796)</u>	<u>\$ (8,520)</u>	<u>\$ 151,219,313</u>	<u>\$ 105,002</u>	<u>\$ 151,324,315</u>

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

(With Deloitte & Touche auditors' report dated March 6, 2019)



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 41,319,136	\$ 32,745,218
Adjustments for:		
Depreciation expenses	12,208,183	10,624,391
Amortization expenses	34,716	41,689
Loss on financial instruments at fair value through profit or loss	29,039	-
Amortization of prepayments for leases	45,297	34,415
Impairment loss on accounts receivable	-	14,467
Interest expenses	470,027	317,104
Interest income	(2,883,113)	(1,541,320)
Share of profit of associates	(18,546)	(45,758)
Gain on disposals of property, plant and equipment	(2,704)	(11,051)
Loss on disposals of other intangible assets	-	11
Gain on disposals of investments	(127,279)	(2,232)
Write-down of inventories	-	881,928
Unrealized (gain) loss on foreign currency exchange	(538,911)	1,871,394
Changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	45,110	-
Notes receivable	(33)	-
Accounts receivable	6,854,960	1,088,113
Other receivables	26,148	(42,785)
Inventories	(16,251,281)	(6,724,792)
Other current assets	42,352	(1,590,633)
Contract liabilities	(210,258)	-
Notes payable	(144,115)	114,169
Accounts payable	2,558,431	6,479,676
Other payables	719,375	1,486,753
Other current liabilities	(654,070)	921,372
Net defined benefit liabilities	1	2
Other non-current liabilities	(1,534,240)	(2,572,981)
Cash generated from operations	41,988,225	44,089,150
Dividends received	24,741	28,478
Income tax paid	(15,083,821)	(11,255,450)
Net cash generated from operating activities	<u>26,929,145</u>	<u>32,862,178</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(1,792,337)	-

Proceeds from sale of financial assets at fair value through other comprehensive income	2,224,925	-
Purchase of available-for-sale financial assets	-	(58,500)
Purchase of financial assets at amortized cost	(402,726,162)	-
Proceeds from disposals of financial assets at amortized cost	380,559,211	-
Purchase of debt investments with no active market	-	(309,927,726)
	(Continued)	

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Proceeds from disposals of debt investments with no active market	-	277,169,334
Acquisitions of associates	(3,660)	-
Net cash inflow on disposal of associates	219,003	6,439
Acquisitions of property, plant and equipment	(10,987,989)	(13,192,238)
Proceeds from disposals of property, plant and equipment	40,422	251,778
Increase in refundable deposits	(2,712)	(192,030)
Decrease in refundable deposits	2,913	171,745
Acquisitions of other intangible assets	(77,451)	(15,509)
Proceeds from disposals of other intangible assets	-	1,636
Acquisitions of investment properties	(297)	(800)
Increase in prepayments for leases	-	(887,152)
Interest received	<u>2,572,035</u>	<u>1,393,150</u>
Net cash used in investing activities	<u>(29,972,099)</u>	<u>(45,279,873)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	252,847,809	177,121,458
Repayments of short-term borrowings	(227,077,205)	(167,549,232)
Proceeds from long-term borrowings	-	1,355,000
Repayments of long-term borrowings	-	(1,500,000)
Proceeds from guarantee deposits received	92,338	556,617
Refunds of guarantee deposits received	(158,589)	(450,104)
Cash dividends paid	(9,244,692)	(7,703,911)
Proceeds from partial disposals of interests in subsidiaries	-	17,491
Interest paid	(452,251)	(320,873)
Decrease in non-controlling interests	<u>-</u>	<u>(123,780)</u>
Net cash generated from financing activities	<u>16,007,410</u>	<u>1,402,666</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>(676,720)</u>	<u>(1,635,200)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	12,287,736	(12,650,229)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>17,016,764</u>	<u>29,666,993</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 29,304,500</u>	<u>\$ 17,016,764</u>

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

(With Deloitte & Touche auditors' report dated March 6, 2019)

(Concluded)

## **Attachment V: Difference of the Amended Articles of Incorporation**

AFTER THE REVISION	BEFORE THE REVISION	Explanatory Notes
Article 6: The shares of the company are registered in the form of signatures and seals on behalf of the directors of the company, signed and sealed by the directors, issued after the visa according to law, and may be merged and reissued with large denomination securities.	Article 6: The shares of the company are registered in the form of signatures and seals on behalf of the directors of the company. In order to merge and reissue large denomination securities, by law, 3 or more directors are required to sign and seal to proceed.	Coordinate with the text of Article 162 of the Company Law.
Article 13- 4: The convening of the board of directors shall state the reasons and notify the directors by the time limit prescribed by the securities authority 7 days prior through notification by e-mail or fax. But when there is an emergency, you can call it at any time.	Article 13- 4: If the board of directors were to convene, a reason must be stated and the members notified 7 days prior by e-mail or fax. Only in the case of an emergency, can the board meet be called at any time.	Discretionary Text.
Article 18: The surplus distribution or loss of the Company shall be paid after the end of each semi-annual accounting year. If there is a surplus in the first half of the accounting year, the distribution shall be as follows: 1. Pay taxes; 2. Make up for accumulated losses; 3. Estimate the retention of employees and directors' compensation; 4. A statutory surplus reserve of 10% is provided; however, when the statutory surplus accumulation has reached the total capital of the company, this is not the limit; 5. To provide or revolve special surplus reserves in accordance with the company's operational needs and statutory requirements; 6. If there is still surplus, plus the accumulated undistributed surplus in the previous period and the undistributed surplus adjustment in the current period, the board of directors proposes to distribute the proposal. When the new shares are issued, it should be submitted to the shareholders meeting for resolution. At that time, it should be decided	Article 18: If the company's final accounts are surplus, the distribution is as follows: 1. Make up for past annual losses; 2. Provide a 10% statutory surplus reserve; 3. To provide or revolve special surplus reserves in accordance with the company's operational needs and statutory requirements; 4. If there is still surplus, the accumulated undistributed surplus in the previous year and the undistributed surplus adjustment in the current period shall be submitted to the shareholders' meeting for resolution or retention according to the dividend policy. The company's business environment is still growing, and it will grasp the economic environment for sustainable operation and long-term development. When the board of directors prepares the surplus distribution, it will pay attention to the stability and growth of dividends. The cash dividend of the shareholder dividend is not less than 10% of the shareholder's allocation. However, if the cash	This provision is amended in conjunction with the Companies Act to add Sections 222-1 and a 5 <sup>th</sup> to section.

<p>by the board of directors. If the company's total final accounts are surplus, the distribution is as follows:</p> <ol style="list-style-type: none"> <li>1. Pay taxes;</li> <li>12. Make up for accumulated losses in previous years;</li> <li>23. A statutory surplus reserve of 10% is provided; except when the statutory surplus accumulation has reached the total capital of the company, this is not the case;</li> <li>34. To provide or revolve special surplus reserves in accordance with the company's operational needs and statutory requirements;</li> <li>45. If there is still surplus, plus the accumulated undistributed surplus in the previous year and the undistributed surplus adjustment in the current period, the board of directors proposes to distribute the proposal. When the method of issuing new shares is adopted, it should be dispatched or retained after the resolution of the shareholders meeting.</li> </ol> <p>The company's business environment is still growing, and it will grasp the economic environment for sustainable operation and long-term development. When the board of directors prepares the surplus distribution, it will pay attention to the stability and growth of dividends. The cash dividend of the shareholder dividend is not less than 10% of the shareholder's allocation. However, if the cash dividend is less than 0.5 yuan per share, it will still be allotted. Stock dividends.</p> <p>In accordance with the provisions of Article 245, Section 5 of the Company Law, the Company shall distribute dividends and dividends or all or one of the statutory surplus reserve or capital reserve specified in Paragraph 1 of Article 241 of the</p>	<p>dividend is less than 0.5 yuan per share, it will still be allotted. Stock dividends.</p>	
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Company Law. To authorize the board of directors to attend the shareholders' meeting with the attendance of more than two-thirds of the directors and the resolution of the majority of the directors in cash.		
<p>Article 18- 1: If the company makes a profit in the current year, it shall pay no less than one percent of the employee's remuneration. The board of directors shall decide to distribute it by stock or cash, and the object of its issuance shall include control that meets certain conditions. Or a subordinate company employee, the certain conditions are set by the board of directors. In addition, the company was able to increase the amount of profit, and the board of directors decided to raise no more than one percent of the director's compensation. The employee compensation and the distribution of directors' compensation shall be reported to the shareholders' meeting. However, when the company still has accumulated losses, it should retain the amount of compensation in advance, and then pay the employees' compensation and directors' compensation according to the ratio of the above.</p> <p>The object of transfer of the company's purchase of shares, the issue of the employee's stock option certificate, the employee of the share purchase when the new shares are issued, and the issue of the new shares of the employee's rights are restricted, including the control or subordinate company employees who meet certain conditions. The board of directors has fixed it.</p>	<p>Article 18-1: If the company has profit in the current year, it shall be paid no less than one percent of the employee's remuneration, and the board of directors shall decide to distribute it by stock or cash, and the object of distribution shall include subordinates that meet certain conditions. In addition, the company was able to increase the amount of profit, and the board of directors decided to raise no more than one percent of the director's compensation. The employee compensation and the distribution of directors' compensation shall be reported within the shareholders' meeting. However, when the company still has accumulated losses, it should retain the amount of compensation in advance, and then pay the employees' compensation and directors' compensation according to the ratio of the above.</p>	<p>Amend this provision in conjunction with Article 267 of the Companies Act Amendment.</p>
<p>Article 20:</p> <p>This charter was enacted on September 19, the Republic of China. The first</p>	<p>Article 20: This charter was enacted on September 19, the Republic of China. The first amendment was on June 12, the</p>	<p>Revision dates are recorded to maintain the traceability.</p>

<p>amendment was on June 12, the Republic of China. The second amendment was on July 22, the Republic of China. The third amendment was made on March 16, the Republic of China. The fourth amendment was on June 13, the Republic of China. The fifth amendment was made on July 27, the Republic of China. The sixth amendment was made on October 1, the year of the Republic of China. The seventh amendment was made on June 20, the Republic of China. The eighth amendment was made on April 27, the Republic of China. The ninth amendment was made on September 13, the Republic of China. The tenth amendment was made on January 31, the Republic of China. The eleventh amendment was made on July 10, the Republic of China. The twelfth amendment was made on September 27, the Republic of China. The thirteenth amendment was made on June 21, the Republic of China. The fourteenth amendment was made on November 2, the Republic of China. The fifteenth amendment was made on March 18, 1988. The sixteenth amendment was made on April 24, the Republic of China. The seventeenth amendment was made on June 12, 1990. The eighteenth amendment was made on May 30, the Republic of China. The nineteenth amendment was made on May 6, 1992. The 20th amendment was made on May 24, 1993. The twenty-first amendment was made on May 24, 1993. The twenty-second amendment was made on May 31, the Republic of China. The twenty-third amendment was made on May 30, 1995. The twenty-fourth amendment was made on June 28, the Republic of China. The twenty-fifth amendment was made on June 26, the Republic of China. The twenty-sixth amendment was made on June 25, 1999. The twenty-seventh amendment was made on June 13, 2001. The twenty-eighth amendment was made on June 13, 102. The twenty-ninth amendment was made on May 19, 1995. The 30th amendment was made on June 11, 2007. The thirty-first amendment was made on June 12, 1980.</p>	<p>Republic of China. The second amendment was on July 22, the Republic of China. The third amendment was made on March 16, the Republic of China. The fourth amendment was on June 13, the Republic of China. The fifth amendment was made on July 27, the Republic of China. The sixth amendment was made on October 1, the year of the Republic of China. The seventh amendment was made on June 20, the Republic of China. The eighth amendment was made on April 27, the Republic of China. The ninth amendment was made on September 13, the Republic of China. The tenth amendment was made on January 31, the Republic of China. The eleventh amendment was made on July 10, the Republic of China. The twelfth amendment was made on September 27, the Republic of China. The thirteenth amendment was made on June 21, the Republic of China. The fourteenth amendment was made on November 2, the Republic of China. The fifteenth amendment was made on March 18, 1988. The sixteenth amendment was made on April 24, the Republic of China. The seventeenth amendment was made on June 12, 1990. The eighteenth amendment was made on May 30, the Republic of China. The nineteenth amendment was made on May 6, 1992. The 20th amendment was made on May 24, 1993. The twenty-first amendment was made on May 24, 1993. The twenty-second amendment was made on May 31, the Republic of China. The twenty-third amendment was made on May 30, 1995. The twenty-fourth amendment was made on June 28, the Republic of China. The twenty-fifth amendment was made on June 26, the Republic of China. The twenty-sixth amendment was made on June 25, 1999. The twenty-seventh amendment was made on June 13, 2001. The twenty-eighth amendment was made on June 13, 102. The twenty-ninth amendment was made on May 19, 1995.</p>	
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## Attachment VI:

### Difference of the Rules and Procedures of Shareholder's Meeting

AFTER THE REVISION	BEFORE THE REVISION	Explanatory Notes
<p>Article 3: (Sections 1 to 4)</p> <p>Elect or dismissal of directors, change of articles of association, reduction of capital, application for suspension of public offering, competition for directors, transfer of surplus to capital, transfer of capital to capital, dissolution of company, merger, division or the first paragraph of Article 185 of the Company Law, Article 26 of the Securities Exchange Act and Article 43 of the Articles of the Articles of Article 56-1 and Article 60-2 of the Issuer's Procedures for the Issuance and Issuance of Securities shall be listed in the cause of the convening. And explain its main content, and may not be proposed by a temporary motion. The main content of the product may be placed on the website designated by the securities authority or company, and its website address shall be stated in the notice.</p> <p>(Skip below)</p>	<p>Article 3: (Sections 1 to 4)</p> <p>Election or dissolution of directors, change of articles of association, dissolution of the company, merger, division or the first paragraph of Article 185 of the Company Law, Article 26 of the Securities Exchange Law, Article 63, and the issuer The items of Articles 56-1 and 60- 2 of the Guidelines for the Collection and Issuance of Securities shall be listed as a part of the cause of the convening and shall not be proposed by a provisional motion.</p> <p>(Skip below)</p>	<p>In accordance with Article 172 of the Company Law, the 5<sup>th</sup> paragraph of this Article is added.</p>

## ATTACHMENT VII.:

### Differences of Procedures for the Acquisition or Disposal of Assets

After amendment	Before amendment Remark	Remark
<p>Article 2</p> <p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>Right-of-use assets.</li> <li>Claims of financial institutions (including receivables, bills</li> </ol>	<p>Article 2</p> <p>The term “assets” as used in these Procedures includes the following:</p> <ol style="list-style-type: none"> <li>Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>Claims of financial institutions (including receivables, bills</li> </ol>	<p>According to the governing law and regulations</p>

<p>purchased and discounted, loans, and overdue receivables).</p> <p>7. Derivatives.</p> <p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>9. Other major assets.</p>	<p>purchased and discounted, loans, and overdue receivables).</p> <p>6. Derivatives.</p> <p>7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law</p> <p>8. Other major assets.</p>	
<p>Article 3</p> <p>Terms used in these Regulations are defined as follows:</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The</p>	<p>Article 3</p> <p>Terms used in these Procedures are defined as follows:</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing</p>	<p>According to the governing law and regulations</p>

<p>term</p> <p>"forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p>	<p>contracts, or long-term purchase (sales) agreements.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by</p>	
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<p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent</p>	<p>Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the</p>	
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<p>authority shall apply.</p> <p>6. Mainland China area investment:</p> <p>Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p> <p>7. Investment professional:</p> <p>Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are</p>	<p>mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	
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<p>regulated by the competent financial authorities of the jurisdiction where they are located.</p> <p>8.Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>9.Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority</p>		
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and that is permitted to conduct securities business.		
<p>Article 5</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational</p>	<p>Article 5</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	<p>According to the governing law and regulations</p>



<p>crime.</p> <p>However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1. Prior to accepting a case, they shall prudently assess their own</p>		
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<p>professional capabilities, practical experience, and independence.</p> <p>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who</p>		
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<p>prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations</p>		
<p>Article 6: The procedures of acquisition or disposal of real estate, other fixed assets or right-of-use asset</p> <p>I. Appraisal and procedure</p> <p>The Company's acquisition or disposal of real estate , other fixed assets or right-of-use asset shall comply with fixed assets cycle procedure of the Internal Audit system.</p> <p>II. The decision process</p> <p>1. In acquiring or disposing of real property, other fixed assets or right-of-use asset, the company shall refer to publicly announced current value, appraised value, transaction price of nearby real property, the terms and conditions of the transaction and transaction price should be conducted an analysis report and submit to the President. If the transaction price is below 10 percent of the Company's paid-in capital, it should be subject to President's</p>	<p>Article 6: The procedures of acquisition or disposal of real estate or equipment</p> <p>I. Appraisal and procedure</p> <p>The Company's acquisition or disposal of real estate or equipment shall comply with fixed assets cycle procedure of the Internal Audit system.</p> <p>II. The decision process</p> <p>1. In acquiring or disposing of real property or equipment, the company shall refer to publicly announced current value, appraised value, transaction price of nearby real property, the terms and conditions of the transaction and transaction price should be conducted an analysis report and submit to the President. If the transaction price is below 10 percent of the Company's paid-in capital, it should be subject to President's approval and report to the next board meeting. If the transaction price reaches 10</p>	<p>Revised on the wording</p>

<p>approval and report to the next board meeting. If the transaction price reaches 10 percent or more of the Company's paid-in capital, it should not be executed until board of directors' approval.</p> <p>2. In acquiring or disposing of other fixed assets, the Company should proceed by means of price inquiries, price comparison, price negotiation, or request for bids. If the price is below 10 percent of the Company's paid-in capital, it should be approved following the authorization rules. If the price reaches 10 percent or more of the Company's paid-in capital, it should be subject to Chairman's approval and report to the next board meeting.</p> <p>3. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any</p>	<p>percent or more of the Company's paid-in capital, it should not be executed until board of directors' approval.</p> <p>2. In acquiring or disposing of equipment, the Company should proceed by means of price inquiries, price comparison, price negotiation, or request for bids. If the price is below 10 percent of the Company's paid-in capital, it should be approved following the authorization rules. If the price reaches 10 percent or more of the Company's paid-in capital, it should be subject to Chairman's approval and report to the next board meeting.</p> <p>3. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement,</p>	
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<p>director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>III. Responsibility department</p> <p>The Company's acquisition or disposal of real estate, other fixed assets or right-of-use asset shall be performed in accordance with the Company's relevant operating guidelines and authorization by any related department.</p> <p>IV. The appraisal report of real estate other fixed assets or right-of-use asset</p>	<p>the company shall submit the director's dissenting opinion to each supervisor.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>III. Responsibility department</p> <p>The Company's acquisition or disposal of real estate or equipment shall be performed in accordance with the Company's relevant operating guidelines and authorization by any related department.</p> <p>IV. The appraisal report of real estate or other fixed assets</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or</p>	
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<p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers</p>	<p>NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's</p>	
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<p>shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers reaches 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the</p>	<p>appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers reaches 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the</p>	
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<p>appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>6. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13, paragraph 1, item 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>6. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	
<p>Article 7: Obtaining or disposing of securities investment processing procedures (The first item is omitted)</p>	<p>Article 7: Obtaining or disposing of securities Investment processing procedures (The first item is omitted)</p>	



<p>Second, the trading conditions determine the procedure (The first item, the second item of the second item)</p> <p>(3) If the company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any director express an objection and have a record or written statement, the company shall send the directors' dissent materials to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors and include their opinions and reasons for their consent or objection in the minutes of the meeting. (third item omitted)</p> <p>Fourth, get expert advice (1) Public issuance The Company obtains or disposes of securities, and shall take the most recent financial statements audited by the accountant or the financial statements of the company as the reference for evaluating the transaction price before the date of the fact, and the transaction amount shall reach the company's paid-in capital. For those who are 20% or NT\$300 million or more,</p>	<p>II. The trading conditions determine the procedure (The first item, the second item of the second provision)</p> <p>(3) If the company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any director express objection and have a record or written statement, the company shall send the directors' dissent materials to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board of directors for discussion, the opinions of the independent directors including their opinions and reasons for their consent or objection should be considered fully in the minutes of the meeting. (third item omitted)</p> <p>IV. Get expert advice (1) If a publicly issued company obtains or disposes of securities, it shall take the financial statements of the company that have been audited or verified by the accountant in the most recent period as the reference for evaluating the transaction price, and the transaction amount shall reach the company's paid-up capital. If the transaction amount</p>	<p>I. Discretionary text correction</p> <p>II. Order changes and adjustment of reference number</p>
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<p>they should consult with the accountant on the reasonableness of the transaction price before the factual date. If the accountant needs to use the expert report, the audit should be issued by the Accounting Research and Development Foundation. The provisions of the Code Bulletin No. 20 apply. However, the public offer of the marketable securities or the Financial Supervision and Administration Commission does not stipulate otherwise.</p> <p>(2) If the company obtains or disposes of assets through the court auction procedure, it can replace the valuation report or accountant's opinion with the certification documents issued by the court.</p> <p>(3) The calculation of the transaction amount of this Article shall be carried out in accordance with the provisions of Paragraph 8 of Paragraph 1 of Paragraph 2 of Article 13 and the calculation shall be made retrospectively based on the date of the fact of the transaction. One year, the valuation report or accountant's opinion issued by the professional valuer has been re-incorporated according to the provisions of this standard.</p>	<p>reaches 20% of the company's paid-up capital or NT\$300 million or more, the accountant should be consulted before the factual date to express an opinion on the reasonableness of the transaction price. If the accountant needs to use the expert report, the auditing standards issued by the Accounting Research and Development Foundation should be the provisions of the 20th issue of the Gazette apply. However, the public offer of the marketable securities or the Financial Supervision and Administration Commission does not stipulate otherwise.</p> <p>(2) If the company obtains or disposes of assets through the court auction procedure, it can replace the valuation report or accountant's opinion with the certification documents issued by the court.</p> <p>(3) The calculation of the transaction amount of this Article shall be handled in accordance with the provisions of Paragraph 2 of Article 13, and the alleged one year shall be based on the date on which the fact of the transaction occurred and shall be retroactively calculated for one year. The standard stipulates that the valuation report or accountant's opinion issued by the professional valuer is exempted from</p>	
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	re-inclusion.	
<p>Article 8: Obtaining or contacting the related person</p> <p>Treatment of real property or its right-of-use assets or other assets other than the acquirer's acquisition or disposal of real property or its right-of-use assets program</p> <p>1. The Company and its related parties obtain or dispose of assets. Except for the acquisition of real estate processing procedures in accordance with Article 6 and the following provisions of this Article, the relevant resolution procedures and the assessment of the reasonableness of the trading conditions, etc., the transaction amount reaches more than 10% of the company's total assets. Those who are also required to obtain the valuation report or accountant's opinion issued by the professional valuer in accordance with the provisions of the preceding section. In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>Second, assessment and operating procedures</p> <p>The Company obtains or disposes of the real property or its right-of-use assets from the related</p>	<p>Article 8: Obtaining or contacting the related person</p> <p>Treatment of real property or other assets other than the acquirer's acquisition or disposal of real property</p> <p>1. The Company and its related parties obtain or dispose of assets. Except for the acquisition of real estate processing procedures in accordance with Article 6 and the following provisions of this Article, the relevant resolution procedures and the assessment of the reasonableness of the trading conditions, etc., the transaction amount reaches more than 10% of the company's total assets. Those who are also required to obtain the valuation report or accountant's opinion issued by the professional valuer in accordance with the provisions of the preceding section. In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>Second, assessment and operating procedures</p> <p>The Company obtains or disposes of the real property or its right-of-use assets from the related parties, or acquires or disposes of</p>	<p>1. In accordance with the provisions of the Lease Bulletin No. 16 of the International Financial Reporting Standards, the amendments will be included in the provisions of this Article.</p> <p>2. Discretionary text correction.</p> <p>3. Public debt is limited to domestic public debts, and domestic public debts are exempt from the procedures approved by the board of directors and recognized by the audit committee.</p>

<p>parties, or acquires or disposes of the real estate or other assets other than the assets of the related party, and the transaction amount reaches 20% of the company's paid-in capital and 100% of the total assets. In the case of 10 or more NT\$300 million, the following materials shall be submitted in addition to the domestic bonds, the bonds with the purchase and return conditions, the purchase or purchase of the money market funds issued by the domestic securities investment trusts. After the board of directors approves and the audit committee recognizes, it must sign the transaction contract and payment:</p> <p>(1) The purpose, necessity and expected benefits of obtaining or disposing of assets.</p> <p>(2) Reasons for selecting the relevant person to be the transaction object.</p> <p>(3) Obtaining the real estate or its right to use assets from the related parties and assessing the reasonableness of the predetermined trading conditions in accordance with the provisions of paragraphs (1) and (4) of this Article.</p> <p>(4) The date and price of the relationship, the transaction object and its relationship with the company and its related parties.</p> <p>(v) Estimated cash receipts and</p>	<p>the real estate or other assets other than the assets of the related party, and the transaction amount reaches 20% of the company's paid-in capital and 100% of the total assets. In the case of 10 or more NT\$300 million, the following materials shall be submitted in addition to the domestic bonds, the bonds with the purchase and return conditions, the purchase or purchase of the money market funds issued by the domestic securities investment trusts. After the board of directors approves and the audit committee recognizes, it must sign the transaction contract and payment:</p> <p>(1) The purpose, necessity and expected benefits of obtaining or disposing of assets.</p> <p>(2) Reasons for selecting the relevant person to be the transaction object.</p> <p>(3) Obtaining the real estate or its right to use assets from the related parties and assessing the reasonableness of the predetermined trading conditions in accordance with the provisions of paragraphs (1) and (4) of this Article.</p> <p>(4) The date and price of the relationship, the transaction object and its relationship with the company and its related parties.</p> <p>(v) Estimated cash receipts and payments for each month in the</p>	<p>4. Order changes and adjustment of the reference numbers.</p> <p>5. In accordance with the provisions of the “Guidelines for the Acquisition or Disposal of Assets by Public Offering Companies”, the public offering companies and their parent companies, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital are allowed to In the overall planning, there is a need to co-ordinate the purchase or lease of equipment for business use, including the need and need for transfer (including trading or subletting), or the possibility of subscribing to real estate, and obtaining or disposing of equipment for business use. The</p>
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<p>payments for each month in the coming year starting from the contract month, and assess the necessity of the transaction and the rationality of the use of the funds.</p> <p>(6) The valuation report issued by the professional valuer obtained in accordance with the provisions of the preceding article, or the opinion of the accountant.</p> <p>(7) The restrictions on the transaction and His important appointments. .</p> <p>The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with the provisions of Article 15, paragraph 1, paragraph 5, and the alleged one year is based on the date of the fact of the transaction, and the retrospective calculation is based on one year. The guidelines provide for approval by the board of directors and approval by the audit committee.</p> <p><del>The publicly issued company and its parent company or</del> and its subsidiaries, or its subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, engage in the following transactions, <del>obtain or dispose of the equipment for business use,</del> and the board of directors may authorize the chairman to The second item of this article shall be decided first and then reported to the board of directors for the most</p>	<p>coming year starting from the contract month, and assess the necessity of the transaction and the rationality of the use of the funds.</p> <p>(6) The valuation report issued by the professional valuer obtained in accordance with the provisions of the preceding article, or the opinion of the accountant.</p> <p>(7) The restrictions on the transaction and His important appointments. .</p> <p>The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with the provisions of Article 15, paragraph 1, paragraph 5, and the alleged one year is based on the date of the fact of the transaction, and the retrospective calculation is based on one year. The guidelines provide for approval by the board of directors and approval by the audit committee.</p> <p>The publicly-issued company and its parent company or its subsidiaries, engage in the following transactions, obtain or dispose of the equipment for business use, and the board of directors may authorize the chairman to The second item of this article shall be decided first and then reported to the board of directors for the most recent period. :</p> <p>Those who have set up independent directors in</p>	<p>right assets or real estate use rights assets for business use may be authorized to be handled by the chairman.</p>
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<p>recent period. :</p> <p><u>1. Obtain or dispose of equipment for business use or its right to use assets.</u></p> <p><u>2. Acquiring or disposing of the right to use real estate for business use.</u></p> <p>Those who have set up independent directors in accordance with the provisions of this Law shall, when submitting to the Board of Directors for discussion, fully consider the opinions of the independent directors. If the independent directors have objections or reservations, they shall be stated in the proceedings of the board of directors.</p> <p>If the audit committee is set up according to the regulations, it shall be approved by more than one-half of all members of the audit committee, and the resolution of the board of directors shall be submitted. If no more than one-half of the members of the audit committee agree, more than two-thirds of all directors may be elected. Agree to do so, and the resolutions of the Audit Committee shall be stated in the minutes of the Board of Directors. All members of the Audit Committee referred to in the third paragraph and all directors referred to in the preceding paragraph shall be counted as</p>	<p>accordance with the provisions of this Law shall, when submitting to the Board of Directors for discussion, fully consider the opinions of the independent directors. If the independent directors have objections or reservations, they shall be stated in the proceedings of the board of directors.</p> <p>If the audit committee is set up according to the regulations, it shall be approved by more than one-half of all members of the audit committee, and the resolution of the board of directors shall be submitted. If no more than one-half of the members of the audit committee agree, more than two-thirds of all directors may be elected. Agree to do so, and the resolutions of the Audit Committee shall be stated in the minutes of the Board of Directors. All members of the Audit Committee referred to in the third paragraph and all directors referred to in the preceding paragraph shall be counted as actual incumbents.</p> <p>Third, the reasonableness of transaction costs assessment</p> <p>(1) The Company shall obtain the reasonableness of the transaction cost in the following ways by obtaining the real property or its right to use assets from the related party:</p>	<p>6. The third item is consolidated to the second item, and the additional rental case is also a transaction case.</p>
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<p>actual incumbents.</p> <p>Third, the reasonableness of transaction costs assessment</p> <p>(1) The Company shall obtain the reasonableness of the transaction cost in the following ways by obtaining the real property or its right to use assets from the related party:</p> <p>1. Add the interest of the necessary funds and the cost that the buyer should bear according to the transaction price of the person concerned. The so-called necessary capital interest cost is calculated based on the weighted average interest rate of the borrowings of the company's assets purchased in the year, but it shall not be higher than the non-financial industry maximum borrowing rate announced by the Ministry of Finance.</p> <p>2. If the related person has set the mortgage borrower to the financial institution with the subject matter, the financial institution shall estimate the total value of the loan of the subject matter, but the cumulative value of the actual loan lending by the financial institution to the subject matter shall reach the total loan evaluation. More than 70% of the value and the loan period have been more than one year. However, financial institutions and one party to the transaction are related to each</p>	<p>1. Add the interest of the necessary funds and the cost that the buyer should bear according to the transaction price of the person concerned. The so-called necessary capital interest cost is calculated based on the weighted average interest rate of the borrowings of the company's assets purchased in the year, but it shall not be higher than the non-financial industry maximum borrowing rate announced by the Ministry of Finance.</p> <p>2. If the related person has set the mortgage borrower to the financial institution with the subject matter, the financial institution shall estimate the total value of the loan of the subject matter, but the cumulative value of the actual loan lending by the financial institution to the subject matter shall reach the total loan evaluation. More than 70% of the value and the loan period have been more than one year. However, financial institutions and one party to the transaction are related to each other and are not applicable.</p> <p>(2) If the land and houses of the same subject matter are purchased together, the transaction costs shall be assessed on the land and houses in accordance with any of the methods listed in the preceding paragraph.</p> <p>(3) The Company obtains the real</p>	<p>7. In accordance with the provisions of the International Financial Reporting Standards No. 16 Lease Bulletin, the assets of the real estate use right leased from the related parties shall be included in the requirements of the matters to be assessed when the cost is lower than the transaction price.</p>
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<p>other and are not applicable.</p> <p>(2) If the land and houses of the same subject matter are purchased or <u>leased</u> together, the transaction costs shall be assessed on the land and houses in accordance with any of the methods listed in the preceding paragraph.</p> <p>(3) The Company obtains the real property or its right to use assets from the related parties, and evaluates the cost of the real property or its right to use assets in accordance with the provisions of paragraphs (1) and (2) of this Article, and shall contact the accountant for review and representation. Specific comments.</p> <p>(4) When the company obtains real property from the related party or its right to use assets, the evaluation results are lower than the transaction price in accordance with paragraphs (1) and (2) of Article 3 of this Article, and shall be in accordance with Article 3 (5) of this Article. The provisions of the paragraph. However, if the following circumstances, and the objective evidence and the specific reasonable opinions of the real estate appraisers and accountants are taken, this is not the case:</p> <p>1. If the relationship is acquired by a plain land or a leased land, one of the following conditions may be proved:</p> <p>(1) The land is assessed according</p>	<p>property from the related parties, and evaluates the cost of the real property in accordance with the provisions of paragraphs (1) and (2) of this Article, and shall contact the accountant for review and representation. Specific comments.</p> <p>(4) When the company obtains real property from the related party, the evaluation results are lower than the transaction price in accordance with paragraphs (1) and (2) of Article 3 of this Article, and shall be in accordance with Article 3 (5) of this Article. The provisions of the paragraph. However, if the following circumstances, and the objective evidence and the specific reasonable opinions of the real estate appraisers and accountants are taken, this is not the case:</p> <p>1. If the relationship is acquired by a plain land or a leased land, one of the following conditions may be proved:</p> <p>(1) The land is assessed according to the method stipulated in the preceding article. The house is calculated according to the construction cost of the related person plus the reasonable construction profit, and the total number exceeds the actual transaction price. The alleged reasonable construction profit shall be based on the average</p>	
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<p>to the method stipulated in the preceding article. The house is calculated according to the construction cost of the related person plus the reasonable construction profit, and the total number exceeds the actual transaction price. The alleged reasonable construction profit shall be based on the average operating gross profit margin of the related party construction department in the last three years or the lower of the latest construction industry gross profit margin announced by the Ministry of Finance.</p> <p>(2) Cases of transactions of other non-relevant persons within one year of other floors or adjacent areas of the same target premises, the areas of which are similar, and the conditions of the transaction are assessed on the basis of reasonable floor or regional spreads as determined by the sale or lease of real estate. Quite.</p> <p><del>(3) In the case of other non-related persons' leases within one year of the same floor of the same subject, the reasonable terms of the floor spread shall be used to estimate the terms of the transaction.</del></p> <p>2. The Company obtains the real estate right-to-use assets from the real estate or lease purchased from the related parties, and the trading conditions are similar to those of</p>	<p>operating gross profit margin of the related party construction department in the last three years or the lower of the latest construction industry gross profit margin announced by the Ministry of Finance.</p> <p>(2) Cases of transactions of other non-relevant persons within one year of other floors or adjacent areas of the same target premises, the areas of which are similar, and the conditions of the transaction are assessed on the basis of reasonable floor or regional spreads as determined by the sale or lease of real estate. Quite.</p> <p>(3) In the case of other non-related persons' leases within one year of the same floor of the same subject, the reasonable terms of the floor spread shall be used to estimate the terms of the transaction.</p> <p>2. The Company obtains the real estate right-to-use assets from the real estate, and the trading conditions are similar to those of other non-relevant transactions in the adjacent area within one year. The above-mentioned cases of transaction transactions in the adjacent areas are based on the same or adjacent street profile and the object size of the transaction target is less than 500 meters or the present value of the announcement is similar; if the area is similar, the transaction is</p>	
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<p>other non-relevant transactions in the adjacent area within one year. The above-mentioned cases of transaction transactions in the adjacent areas are based on the same or adjacent street profile and the object size of the transaction target is less than 500 meters or the present value of the announcement is similar; if the area is similar, the transaction is concluded by other non-related persons. The area of the transaction case is not less than 50% of the area of the subject matter of the transaction; the above-mentioned one-year period is based on the date on which the real estate or the right to use the asset is acquired, and is retroactively calculated for one year.</p> <p>(5) If the company obtains the real property or its right to use assets from the related party, if the evaluation results are lower than the transaction price in accordance with paragraphs (1) and (2) of Article 3 of this Article, the following matters shall be handled. And the Company and the publicly-issued company that evaluates the Company's investment in the equity method, the special surplus reserve is required by the above-mentioned provisions, the assets that should be purchased or leased at a high</p>	<p>concluded by other non-related persons. The area of the transaction case is not less than 50% of the area of the subject matter of the transaction; the above-mentioned one-year period is based on the date on which the real estate is acquired, and is retroactively calculated for one year.</p> <p>(5) If the company obtains the real property or its right to use assets from the related party, if the evaluation results are lower than the transaction price in accordance with paragraphs (1) and (2) of Article 3 of this Article, the following matters shall be handled. And the Company and the publicly-issued company that evaluates the Company's investment in the equity method, the special surplus reserve is required by the above-mentioned provisions, the assets that should be purchased or leased at a high price have recognized the price loss or the disposal or appropriate compensation or If the original status is restored, or there is other evidence to determine that there is no unreasonable, and the special financial reserve is used after the approval of the Financial Supervision and Administration Commission of the Executive Yuan.</p> <p>1. The Company shall, in respect</p>	
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<p>price have recognized the price loss or the disposal or termination of the lease or appropriate compensation or If the original status is restored, or there is other evidence to determine that there is no unreasonable, and the special financial reserve is used after the approval of the Financial Supervision and Administration Commission of the Executive Yuan.</p> <p>1. The Company shall, in respect of the difference between the transaction price of the real property or its right-of-use asset and the estimated cost, provide a special surplus reserve in accordance with the first paragraph of Article 41 of the Securities Exchange Law, and shall not assign or transfer the capital allotment. Investors who evaluate the Company's investment using the equity method, if it is a public offering company, should also provide a special surplus reserve for the proposed amount in accordance with the provisions of Article 41, Paragraph 1 of the Securities Exchange Act.</p> <p>2. The Audit Committee shall handle the matter in accordance with Article 228 of the Company Law.</p>	<p>of the difference between the transaction price of the real property or its right-of-use asset and the estimated cost, provide a special surplus reserve in accordance with the first paragraph of Article 41 of the Securities Exchange Law, and shall not assign or transfer the capital allotment. Investors who evaluate the Company's investment using the equity method, if it is a public offering company, should also provide a special surplus reserve for the proposed amount in accordance with the provisions of Article 41, Paragraph 1 of the Securities Exchange Act.</p> <p>2. The Audit Committee shall handle the matter in accordance with Article 228 of the Company Law.</p> <p>3. The handling of points 1 and 2 of paragraph (5) of this paragraph shall be reported to the shareholders' meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p> <p>(6) The company obtains real estate or its right to use assets from related parties. In any of the following circumstances, it shall be handled in accordance with the provisions of the first and second items of this Article, and the third item of this Article shall not apply.</p>	
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<p>3. The handling of points 1 and 2 of paragraph (5) of this paragraph shall be reported to the shareholders' meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p> <p>.</p> <p>(6) The company obtains real estate or its right to use assets from related parties. In any of the following circumstances, it shall be handled in accordance with the provisions of the first and second items of this Article, and the third item of this Article relates to the assessment requirements for the reasonableness of transaction costs in paragraphs 1), (2) and (3) shall not apply.:</p> <p>1. A related person acquires real property or its right to use assets due to inheritance or gift.</p> <p>2. The relationship between the contractor's acquisition of the real property or its right to use assets has been more than five years from the date of the transaction.</p> <p>3. Signing a contract for joint construction with the related person, or from the development of owned land, the construction of the land leased, etc., to invite the person to build the real estate and obtain the real estate.</p> <p>4. The Company, its subsidiaries, or its subsidiaries that directly or</p>	<p>The assessment requirements for the reasonableness of transaction costs in paragraphs 1), (2) and (3):</p> <p>1. A relationship person acquires real property or its right to use assets due to inheritance or gift.</p> <p>2. The relationship between the contractor's acquisition of the real property or its right to use assets has been more than five years from the date of the transaction.</p> <p>3. Signing a contract for joint construction with the related person, or from the establishment of the local government, the construction of the land lease committee, etc., to invite the person to build the real estate and obtain the real estate. 4. The Company, its subsidiaries, or its subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire the real estate use right assets for business use. (7) The Company obtains the real estate or its right to use assets from the related parties. If there is any other evidence that the transaction has irregular business practices, it shall also be handled in accordance with the provisions of paragraph (5) of this Article.</p>	
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<p>indirectly hold 100% of the issued shares or total capital, acquire the real estate use right assets for business use.</p> <p>(7) The Company obtains the real estate or its right to use assets from the related parties. If there is any other evidence that the transaction has irregular business practices, it shall also be handled in accordance with the provisions of paragraph (5) of this Article.</p>		
<p>Article 9: Procedures for obtaining or disposing of membership cards, intangible assets or assets of their right to use</p> <p>I. Assessment and Operating Procedures</p> <p>The company obtains or disposes of the membership card or intangible assets or its right to use assets should handle in accordance with the fixed assets recycling procedures of the company's internal control system.</p> <p>II. The Trading Conditions and the Decision Process for Determining Authorization Amount</p> <p>(1) To obtain or dispose of the membership card, it shall refer to the market fair market price, the resolution of the trading conditions and the transaction price and make an analysis report to report to the chairman of the</p>	<p>Article 9: Procedures for obtaining or disposing of membership cards or intangible assets</p> <p>I. Assessment and operating procedures</p> <p>The company obtains or disposes of membership card or intangible assets, and is handled in accordance with the fixed asset circulation procedure of the company's internal control system.</p> <p>II. The Trading Conditions and the Decision Process for Determining Authorization Amount</p> <p>(1) To obtain or dispose of the membership card, it shall refer to the market fair market price, the resolution of the trading conditions and the transaction price, and make an analysis report to report to the general manager. If the amount is less than one percent of the company's paid-in capital, it shall be submitted to the general manager for approval. It should be</p>	<p>1. In accordance with the provisions of the Lease Bulletin No. 16 of the International Financial Reporting Standards, the amendments will be included in the provisions of this Article.</p>

<p>board. If the amount is less than one percent of the company's paid-in capital, it shall be submitted to the chairman for approval and should be reported in the latest board meeting after the event; if it exceeds one percent of the company's paid-in capital, it must be approved by the board of directors.</p> <p>(2) Obtaining or disposing of intangible assets or their right to use assets shall refer to the expert assessment report or the market fair market price, the resolution of the trading conditions and the transaction price, and prepare an analysis report to report to the chairman of the board. Those who are less than ten percent of the company's paid-in capital shall be submitted to the chairman of the board for approval and shall be reported in the latest</p>	<p>reported in the latest board meeting after the event; if it exceeds one percent of the company's paid-in capital, it must be approved by the board of directors.</p> <p>(2) Obtaining or disposing of intangible assets shall refer to the expert assessment report or the market fair market price, the resolution of the trading conditions and the transaction price, and prepare an analysis report to report to the chairman of the board. The amount of the company shall be less than 10% of the company's paid-in capital. The approval by the chairman of the board of directors shall be reported in the latest board meeting after the event; if the company exceeds 10% of the company's paid-in capital, it must be approved by the board of directors.</p> <p>(3) If the company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any director express objection and have a record or written statement, the company shall send the directors' dissent materials to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board</p>	<p>2. A clear definition of government machine relations refers to the central and local government agencies in China, and the exchange of expert opinions with the central and local government agencies in China.</p> <p>3. Order changes and adjustment of reference number.</p>
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<p>board meeting after the event; if exceeds 10% of the company's paid-up capital, it shall be submitted to the board of directors for approval.</p> <p>(3) If the company obtains or disposes of the assets according to the prescribed procedures or other legal provisions, it shall be approved by the board of directors. If any director expressed an objection and have a record or written statement, the company shall send the directors' objection information to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors and include their opinions and reasons for their consent or objection in the minutes of the meeting.</p> <p>III. the execution unit</p> <p>When the company obtains or disposes of a membership card or an intangible asset or its right to use assets, it shall be executed by the related department and responsibilities after the</p>	<p>of directors for discussion, it should fully consider the opinions of the independent directors and include their opinions and reasons for their consent or objection in the minutes of the meeting.</p> <p>III. Third, the execution unit</p> <p>When the company obtains or disposes of the membership card or intangible assets, it shall be responsible for the execution according to the approval authority of the preceding paragraph.</p> <p>4. Membership card or intangible assets expert assessment report</p> <p>1. The transaction amount of the company's obtaining or disposing of the membership card or intangible assets reaches 20% of the company's paid-up capital or NT\$300 million. In addition to transactions with government agencies, it should be requested before the factual date. The accountant shall express an opinion on the reasonableness of the transaction price, and the accountant shall handle it according to the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</p> <p>2. The calculation of the transaction amount of this Article shall be handled in accordance with the provisions of Paragraph 2 of Article 13, and the alleged one</p>	
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<p>verification of the powers of the prior approval.</p> <p>IV. Report on the evaluation of membership certificates, intangible assets or their right to use assets</p> <p>1. The transaction amount of the company's acquisition or disposition of membership card, intangible assets or its right-of-use assets reaches 20% of the company's paid-in capital or NT\$300 million, except for transactions with domestic government agencies. The accountant shall be consulted on the reasonableness of the transaction price before the date of the fact, and the accountant shall handle it in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</p> <p>2. The calculation of the transaction amount of this Article shall be handled in accordance with the provisions of Paragraph 2 of the second paragraph of Article 13, and the alleged one year shall be based on the date on which the fact of the transaction occurs, and shall be retroactively calculated for one year. The valuation report or accountant's opinion issued by the professional valuer has been re-incorporated according to the</p>	<p>year shall be based on the date on which the fact of the transaction occurred, and the retrospective calculation shall be carried out one year in advance. It is stipulated that the valuation report or accountant's opinion issued by the professional valuer shall be re-involved.</p>	
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provisions of this standard.		
<p>Article 11: Procedures for obtaining or disposing of derivatives</p> <p>First, the transaction principles and guidelines</p> <p>(1) Type of transaction</p> <p>1. Derivative financial products engaged by the Company are those whose value consists of specific interest rates, financial instrument prices, commodity price, exchange rates, price or rate indices, credit ratings, or credit indices or other variables. A derivative contract (such as a forward contract, an option, a futures, an interest rate or exchange rate, an swap, a combination of the above-mentioned contracts, or a combination contract or structure embedded in a derivative commodity Goods, etc.).</p> <p>2. Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this processing procedure. The trading of bonds subject to the conditions for repurchase does not apply to the provisions of this procedure. (The first item is abbreviated below)</p> <p>C. The company obtains or disposes of the assets according to</p>	<p>Article 11: Procedures for obtaining or disposing of derivative goods</p> <p>First, the transaction principles and guidelines</p> <p>(1) Type of transaction</p> <p>1. The derivative financial products engaged by the Company refer to transaction contracts whose value is derived from commodities such as assets, interest rates, exchange rates, indices or other interests (such as forward contracts, options, futures, interest rates or exchange rates, exchanges, and a combination contract of the above products, etc.).</p> <p>2. Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this processing procedure. The trading of bonds subject to the conditions for repurchase does not apply to the provisions of this procedure. (The first item is abbreviated below)</p> <p>C. The company obtains or disposes of the assets according to the prescribed processing procedures or other legal requirements, and if the directors express objection and have a record or written statement, the company shall send the directors'</p>	<p>1. In accordance with the definition of Financial Instruments No. 9 of the International Financial Reporting Standards, amend the scope of the first derivative goods and discretionary text.</p> <p>2. Discretionary text correction</p>

<p>the prescribed procedures or other legal requirements, and if the directors express objection and have a record or written statement, the company shall send the directors' dissent materials to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors and include their opinions and reasons for their consent or objection in the minutes of the meeting.</p> <p>(Sections 2 to 4)</p> <p>V. Risk management measures (The first item to the fourth item of the fifth item)</p> <p>(5) Operational risk management</p> <p>1. Should strictly follow the company's authorization quota, operating procedures and incorporate internal audits to avoid operational risks.</p> <p>2. Trading personnel engaged in derivative commodities and operators such as confirmation and delivery shall not concurrently serve each other.</p> <p>3. The risk measurement, supervision and control personnel shall be in different departments and shall report to the board of directors or high-level supervisors who are not responsible for the decision-making of the transaction or trading.</p>	<p>dissent materials to the audit committee. In addition, if the company has set up independent directors and submits or disposes of asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors and include their opinions and reasons for their consent or objection in the minutes of the meeting.</p> <p>(Sections 2 to 4)</p> <p>V. Risk management measures (The first item to the fourth item of the fifth item)</p> <p>(5) Operational risk management</p> <p>1. Should strictly follow the company's authorization quota, operating procedures and incorporate internal audits to avoid operational risks.</p> <p>2. Trading personnel engaged in derivative commodities and operators such as confirmation and delivery shall not concurrently serve each other.</p> <p>3. The risk measurement, supervision and control personnel shall be in different departments from the former personnel, and shall report to the board of directors or high-level supervisors who are not responsible for the decision-making of the transaction or part.</p> <p>4. The position held by the derivative commodity exchange shall be assessed at least once a</p>	
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<p>4. The position held by the derivative commodity shall be assessed at least once a week, but if the risk-avoidity transaction required for the business is to be assessed at least twice a month, the evaluation report shall be submitted to the senior executive authorized by the board of directors.</p> <p>(The fifth item to the sixth item omitted)</p> <p>Seven, regular assessment methods</p> <p>The board of directors shall authorize the senior executives to regularly supervise and evaluate whether the transactions in the derivative commodities are actually handled in accordance with the trading procedures set by the company, and whether the risks assumed are within the scope of the allowable undertaking, and when the market price assessment reports are abnormal (eg When the holding position has exceeded the limit of loss), it shall immediately report to the board of directors and take the appropriate measures.</p> <p>8. The principle of supervision and management of the board of directors when engaging in derivative commodity transactions</p> <p>(1) The board of directors shall</p>	<p>week, but if the risk-avoidity transaction required for the business is to be assessed at least twice a month, the evaluation report shall be submitted to the senior executive authorized by the board of directors.</p> <p>(The fifth item, the fifth item to the sixth item)</p> <p>Seven, regular assessment methods</p> <p>(1) The board of directors shall authorize the senior executives to regularly supervise and evaluate whether the transactions in the derivative commodities are actually handled in accordance with the trading procedures set by the company, and whether the risks assumed are within the scope of the allowable undertaking and the market price assessment reports are abnormal (eg When the holding position has exceeded the limit of loss, it shall immediately report to the board of directors and take the appropriate measures.</p> <p>(2) The part held by the derivative commodity exchange shall be assessed at least once a week, but if the risk-averse transaction required for the business is to be assessed at least twice a month, the evaluation report shall be submitted to the senior executive authorized by the board of directors.</p> <p>8. The principle of supervision and</p>	
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<p>appoint high-level supervisors to pay attention to the supervision and control of the risk of derivative commodity transactions at any time. The management principles are as follows:</p> <p>1. Regularly assess whether the currently used risk management measures are appropriate and do in accordance with the Code and the company's procedures for dealing with derivative goods.</p> <p>2. Supervise the transaction and profit and loss situation. If abnormal circumstances are found, the necessary countermeasures shall be taken and report to the board of directors immediately. If the company has set up independent directors, the board of directors shall have independent directors to attend and express their opinions.</p> <p>(2) Regularly assess whether the performance of the derivative commodity transactions is in conformity with the established business strategy and whether the risks assumed are within the scope of the company's tolerance.</p> <p>(3) When the company engages in the transaction of derivative commodities, it shall authorize the relevant personnel to handle the procedures for dealing with the derivatives transaction procedures, and shall report to the most recent board of directors afterwards.</p>	<p>management of the board of directors when engaging in derivative commodity transactions</p> <p>(1) The board of directors shall appoint high-level supervisors to pay attention to the supervision and control of the risk of derivative commodity transactions at any time. The management principles are as follows:</p> <p>1. Regularly assess whether the risk management measures currently in use are appropriate and do in accordance with the Code and the company's procedures for dealing with derivative goods transactions.</p> <p>2. Supervise the transaction and profit and loss situation. If abnormal circumstances are found, the necessary countermeasures shall be taken and report to the board of directors immediately. If the company has set up independent directors, the board of directors shall have independent directors to attend and express their opinions.</p> <p>(2) Regularly assess whether the performance of the derivative commodity transactions is in conformity with the established business strategy and whether the risks assumed are within the scope of the company's tolerance.</p> <p>(3) When the company engages in the transaction of derivative commodities, it shall authorize the</p>	
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<p>(4) When the company engages in the transaction of derivative commodities, it shall establish a checklist, the type and amount of the derivative commodity transaction, the date of adoption by the board of directors, and the seventh paragraph (2) of this article, and the eighth item (1) of this article. And (2) matters that should be carefully assessed and detailed in the reference book for future reference.</p>	<p>relevant personnel to handle the procedures in accordance with the procedures for dealing with the derivatives transactions, and shall report to the most recent board of directors afterwards.</p> <p>(4) When the company engages in the transaction of derivative commodities, it shall establish a checklist, the type and amount of the derivative commodity transaction, the date of adoption by the board of directors, and the seventh paragraph (2) of this article, and the eighth item (1) of this article. And (2) matters that should be carefully assessed and detailed in the reference book for future reference.</p>	
<p>Article 13: Information disclosure procedures</p> <p>1. Announcement of declared projects and announcement reporting standards</p> <p>(1) Obtaining or disposing of the real property or its right-of-use assets from the related party, or other assets other than the acquirer's acquisition or disposal of the real property or its right-of-use assets, and the transaction amount reaches 20% of the company's paid-up capital, total assets 10% or NT\$300</p>	<p>Article 13: Information disclosure procedures</p> <p>1. Announcement of declared projects and announcement reporting standards</p> <p>(1) Obtaining or disposing of immovable property from the related party, or acquiring or disposing of other assets other than immovable property with the related person, and the transaction amount reaches 20% of the company's paid-in capital, 10% of the total assets or NT\$300 million. Above yuan. However, the sale</p>	<p>1. In accordance with the provisions of the Lease Bulletin No. 16 of the International Financial Reporting Standards, the amendments will be included in the provisions of this Article.</p> <p>2. Public debt is limited to domestic public debts, and domestic public debts are exempted from the limitation of a certain standard to be</p>

<p>million. However, the trading of domestic bonds, or the purchase of bonds, the sale of bonds, the purchase or buy back of money market funds issued by domestic securities investment trusts are not limited.</p> <p>(2) Consolidation, division, acquisition or transfer of shares.</p> <p>(3) The maximum amount of all or individual contract losses stipulated in the procedures for the disposal of derivative commodities.</p> <p>(4) The types of assets acquired or disposed of are equipments for business use or their right to use assets, and the transaction objects are not related parties, and the transaction amount is one of the following:</p> <p>1. The amount of paid-in capital has not reached NT\$10 billion, and the transaction amount has reached NT\$500 million.</p> <p><u>2. The amount of paid-in capital reached NT\$10 billion, and the transaction amount reached NT\$1 billion.</u></p> <p>(5) The public issuance company engaged in the construction business obtains or disposes of the real estate or its right-to-use assets for construction and construction, and its transaction object is not a related party. The transaction amount is NT\$500 million or more; paid in capital reaches</p>	<p>and purchase of public debt, or the purchase of bonds, the sale of bonds, the purchase or redemption of domestic money market funds are not limited.</p> <p>(2) Consolidation, division, acquisition or transfer of shares.</p> <p>(3) The maximum amount of all or individual contract losses stipulated in the processing procedures for the derivation of derivative goods.</p> <p>(4) In addition to the asset trading of the first three paragraphs, the disposition of creditor's rights by financial institutions or the investment in mainland China, the transaction amount shall reach 20% of the company's paid-in capital or NT\$300 million or more. However, the following situations are not limited to this:</p> <p>1. Buying and selling public debt.</p> <p>2. The investment of a professional, a securities trading at a stock exchange or a securities firm's business premises at home or abroad, or a securities firm that subscribes in the primary market and subscribes for securities.</p> <p>3. Buy and sell bonds with buy back, sell back conditions, purchase or redeem domestic money market funds.</p> <p>4. The types of assets acquired or disposed of are machine equipment for business use and the transaction object is not related to</p>	<p>announced.</p> <p>3. Discretionary text correction</p> <p>4. Relaxation of the construction industry's sales. The object of real estate construction and construction of the real estate is not the announcement standard of the relevant person.</p> <p>5. Consider the announcement of the first paragraph of the first paragraph that has clearly defined the relationship between the parties, and the sixth paragraph of the same item regulates the non-relevant transaction, for the benefit of the company to follow, and to amend the first paragraph of the sixth paragraph, which is clear.</p>
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<p>NT\$100 million or more, disposing of the real estate that was built and completed on its own, and the transaction target is not related to the person, the transaction amount is up to NT\$1 billion.</p> <p>(6) Real estate acquisition by means of own construction, land lease construction, joint housing construction, joint construction, and joint construction, and the transaction object is not a related party. The company expects the transaction amount to reach NTD 500 million yuan or more.</p> <p>(7) Except for the asset trading of the first six paragraphs, the disposition of creditor's rights by financial institutions or the investment in mainland China, the transaction amount shall reach 20% of the company's paid-in capital or NT\$300 million or more. However, the following situations are not limited to this:</p> <ol style="list-style-type: none"> <li>1. Buying and selling domestic public debt.</li> <li>2. For investment, professional securities, securities trading at the stock exchanges of securities companies or securities firms , or general corporate bonds issued in the primary market and ordinary financial bonds not involving equity (excluding secondary orders) Bonds, or purchase or buy back securities investment trusts or futures trust funds, or securities</li> </ol>	<p>the transaction. The transaction amount does not reach NT\$500 million.</p> <p>5. The Company engaged in the construction business has obtained or disposed of the real estate for construction and construction and its transaction object is not related to the transaction. The transaction amount has not reached NT\$500 million.</p> <p>6. Real estate acquisition is realized by local committee construction, land lease committee construction, joint housing construction, joint construction, and joint construction. The company expects that the transaction amount will not reach NT\$500 million.</p> <p>(5) The calculation of the transaction amount in the above paragraph (4) is as follows, and the alleged one year is based on the date of the fact of the transaction, and is retroactively calculated for one year. .</p> <ol style="list-style-type: none"> <li>1. The amount of each transaction.</li> <li>2. Accumulate the amount of the transaction for which the same counterpart has obtained or dispositioned the same nature within one year.</li> <li>3. The amount of the same development plan real estate accumulated or acquired (accumulated and disbursed separately) within one year.</li> </ol>	<p>6. Cooperate with the statutory amendments to include the principles of the subject matter or institutions referred to in this procedure at home and abroad, and to delete the terms at home and abroad.</p> <p>7. Cooperate with the law to amend and relax the scope of the announcement of the exemption from investment as a professional and consider the risk of the secondary order bond is relatively high. It also specifies the general corporate bonds and general financial bonds not involving equity and does not include subordinated bonds.</p>
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<p>dealers for the underwriting business needs, as the securities company recommended by the securities company recommended by the securities firm in accordance with the provisions of the Republic of China Securities Counter Trading Center.</p> <p>3. Buying and selling bonds with purchase and return conditions, purchasing or buying back money market funds issued by domestic securities investment trusts.</p> <p>(58) The calculation of the amount of the above-mentioned (4) money transaction is as follows, and the alleged one year is based on the date of the fact of the transaction, and is retroactively calculated for one year. In.</p> <p>1. The amount of each transaction.</p> <p>2. Accumulate the amount of the transaction for which the same counterpart has obtained or dispositioned the same nature within one year.</p> <p>3. Accumulatively obtain or dispose of (acquisition and disposition separately) the amount of the same development plan real estate or its right-of-use assets within one year.</p> <p>4. The amount of the same marketable securities accumulated or disbursed (acquired and disbursed separately) within one year.</p> <p>(Skip below)</p>	<p>4. The amount of the same marketable securities accumulated or disbursed (acquired and disbursed separately) within one year.</p> <p>(Skip below)</p>	
Article 14: The company's control	Article 14: The company's control	1. The announcement standard of



<p>procedures for subsidiaries: (The first item is omitted)</p> <p>2. When a subsidiary obtains or disposes of assets, it shall also handle it in accordance with the provisions of the company. (third item omitted)</p> <p>4. In the announcement standard of the subsidiary, the company's paid-up capital of the total assets" is based on the company's paid-in capital or total assets.</p> <p>5. The provisions of the Standards relating to 10% of the total assets are calculated based on the total assets in the most recent individual or individual financial reports as required by the securities issuer's financial reporting standards. If the company's shares are not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital of the standard is calculated at 10% of the shareholders' equity attributable to the owners of the parent company. The standard of the transaction amount for the paid-up capital amount of NT\$10 billion is calculated based on the interest of the owner of the parent company of NT\$20 billion.</p>	<p>procedures for subsidiaries: (The first item is omitted)</p> <p>2. When a subsidiary obtains or disposes of assets, it shall also handle it in accordance with the provisions of the company. (third item omitted)</p> <p>4. In the announcement standard of the subsidiary, the so-called "20% of the company's paid-up capital or 10% of the total assets" is based on the company's paid-in capital or total assets.</p> <p>5. The provisions of the Standards relating to 10% of the total assets are calculated based on the total assets in the most recent individual or individual financial reports as required by the securities issuer's financial reporting standards. If the company's shares are not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital of the standard is calculated at 10% of the shareholders' equity attributable to the owners of the parent company.</p>	<p>the subsidiary shall be the same as that of the parent company, and with the first item of Article 13, the new announcement of the applicable reporting capital of NT\$10 billion shall be added, and the fourth item shall be amended. It is stipulated that the subsidiary company also has to apply the announcement standard.</p> <p>2. If the company's stock has no denomination or the denomination of each share is not NT\$10, the relevant paid-up capital amount will be calculated at NT\$10 billion.</p>
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## ATTACHMENT VIII:

### Difference of the procedures for endorsements and guarantees

After amendment	Before amendment Remark	Remark
<p>5<sup>th</sup> Provision: Endorsement Guarantee Procedure</p> <p>The Company <del>has established independent directors</del>. In the discussion of the board of directors, the opinions of the independent directors should be fully considered. If there is any objection or reservation from the independent directors, <del>the independent directors should clearly state and object to their consent or objection in the proceedings of the board of directors</del>. The reason is included in the board record.</p> <p>When the company is involved in a major endorsement to guarantee others, it shall be approved by more than one-half of all members of the Audit Committee and a resolution of the Board of Directors shall be submitted.</p> <p>If the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may be agreed by more than two-thirds of all directors, and shall not be subject to the provisions of the preceding paragraph, and shall include the resolutions of the Audit</p>	<p>5<sup>th</sup> Provision: Endorsement Guarantee Procedure</p> <p>The Company has set up independent directors. When the board of directors discuss, it should fully consider the opinions of the independent directors and include their reasons of supporting or dissenting opinions within the board of directors' meeting record.</p>	<p>1. With reference to the provisions of Article 14-3 of the Securities Exchange Act, the text shall be adjusted as appropriate.</p> <p>2. According to Article 14 provision 5 of the Securities Exchange Act, the powers of the Audit Committee include resolutions for major endorsements.</p>

Committee in the minutes of the Board of Directors.		
<p>Article 9: Decision and Authorization Level</p> <p>If the Company <del>has established independent directors</del>, it should take into account the opinions of the independent directors when discussing with the board of directors. If there is any objection or reservation from the independent directors, <del>the expressed opinion whether of approval or opposition should be recorded within the board of director meeting record.</del></p> <p>When the company is involved in a major endorsement to guarantee others, it shall be approved by more than one-half of all members of the Audit Committee and a resolution of the Board of Directors shall be submitted.</p> <p>If the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may be agreed by more than two-thirds of all directors, and shall not be subject to the provisions of the preceding paragraph, and shall include the resolutions of the Audit Committee in the minutes of the Board of Directors.</p>	<p>Article 9: Decision and Authorization Level</p> <p>If the company has independent directors, it should fully consider the opinions of the independent directors when discussing with the board of director and include their expressed opinion of approval and objections within the board meeting records.</p>	<p>1. With reference to the provisions of Article 14- 3 of the Securities Exchange Act, the text shall be adjusted as appropriate.</p> <p>2. According to Article 14- 5 of the Securities Exchange Act, the powers of the Audit Committee include resolutions for major endorsements.</p>
Article 10: Announcement	Article 10: Announcement	

<p>Procedure (The first item is omitted) 2. If the endorsement of the company guarantees that the balance reaches one of the following standards, it shall enter the public information observatory within two days from the date of the fact.</p> <p>(3) The Company and its subsidiaries endorsed the balance of the single enterprise with a balance of NT\$10 million or more and endorsed the guarantee, and the amount of equity method investment, and the balance of the fund loan reached 30% or more of the company's most recent financial statement.</p> <p>...</p> <p>3. Should the subsidiary, not a domestic public issuance company, of the Company have the fourth paragraph of the preceding paragraph to be entered into the public information observatory, which shall be done by the company on its behalf. The date of occurrence of the facts referred to in these Standards means the day of the signing, the date of payment, the date of the resolution of the board of directors, or other date on which the endorsement of the object and the amount are determined, which is earlier.</p>	<p>Procedure (The first item is omitted) 2. If the endorsement of the company guarantees that the balance reaches one of the following standards, it shall enter the public information observatory within two days from the date of the fact.</p> <p>(1) The company and its subsidiaries endorsed the balance of a single enterprise with a balance of NT\$10 million and its endorsement guarantee, long-term investment and capital loan balance and the balance reached 30% or more of the net value of the company's most recent financial statements.</p> <p>3. Should the subsidiary, not a domestic public issuance company, of the Company have the fourth paragraph of the preceding paragraph to be entered into the public information observatory, which shall be done by the company on its behalf. The date of occurrence of the term referred to in this standard refers to the day of signing of the transaction, the date of payment, the date of resolution of the board</p>	<p>1. Amend the provisions of the first paragraph of Article IX of the Securities Issuer's Financial Reporting Standards to clarify the definition of long-term investment.</p> <p>2. Consider the endorsement to ensure that it is not a transactional nature, and consider the text.</p>
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	of directors, or other date on which the transaction object and the transaction amount are determined, which is earlier.	
Article 12: Implementation and revision (one to three items) In addition, the operating procedures should be submitted to the board of directors for discussion. The opinions of the independent directors should be fully considered. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors	Article 12: Implementation and revision (one to three items) In addition, when the company has set up independent directors, in accordance with the provisions of the preceding paragraph, the operating procedures should be submitted to the board of directors for discussion. The opinions of the independent directors should be fully considered and the reasons for their consent or objection should be included in the board records.	3. With reference to the provisions of Article 14-3 of the Securities Exchange Act, the text is adjusted as appropriate.

## ATTACHMENT IX:

### Difference of the Guidelines for Lending of Capital

After amendment	Before amendment Remark	Remark
<p>Article 1</p> <p>When the company's funds are lent to others, the relevant loans and business are handled in accordance with the procedures of this procedure. However, this operation is exempt from paying for commercial transactions. If there are any unfinished matters in this program, they should be handled in accordance with relevant laws and regulations.</p>	<p>Article 1</p> <p>When the company's funds are loaned to others, the relevant loans and operations are handled in accordance with the provisions of this procedure. If there are any unfinished matters in this procedure, it shall be handled in accordance with the relevant laws and regulations.</p>	Revisions of wordings
<p>Article 2: Loan Objects</p> <p>The company's funds may not be loaned to shareholders or any other person except in the following cases:</p> <ol style="list-style-type: none"> <li>1. There are business contacts with the company.</li> <li>2. There is a need for short-term financing between the 2 companies.</li> </ol> <p>The term "short term" refers to the period of one year or one business cycle, whichever is longer.</p> <p>When the person in charge of the company violates the</p>	<p>Article 2: Loans and Objects</p> <p>The company's funds may not be loaned to shareholders or any other person except in the following cases:</p> <ol style="list-style-type: none"> <li>1. There are business contacts with the company.</li> <li>2, there is a need for short-term financing between the 2 companies</li> </ol> <p>The term "short term" refers to the period of one year or one business cycle, whichever is longer.</p>	Revision according to the regulations

<p>first paragraph, it shall be responsible for the return of the loan with the borrower; if the company suffers damage, it shall also be liable for damages.</p>		
<p>Article 4: Total Capital Loan and Individual Object Limits</p> <p>The company's capital loans and Individual Object Limits are as follows: (The first four are omitted)</p> <p>5. The foreign companies that directly and indirectly hold 100% of the voting shares of the Company engage in capital loans, or the foreign companies that directly and indirectly hold 100% of the voting shares of the Company engage in capital lending to the Company, and are not subject to the first item. , the third and fourth limits. The total loan amount and the amount of individual objects are limited to 500% of the company's net value. (omitted below)</p>	<p>Article 4: Total Capital Loan and Individual Object Limits</p> <p>The company's capital loans and Individual Object Limits are as follows: (The first four are omitted)</p> <p>5. The foreign companies that directly and indirectly hold 100% of the voting shares of the Company are engaged in the loan of funds and are not subject to the restrictions of the first, third and fourth items. Total loans and amounts are limited to 100% of the company's net worth. (omitted below)</p>	<p>Revision according to the regulations</p>
<p>Article 5: Loans maturities and interest-bearing methods (The first three items are omitted)</p> <p>4. The company directly and</p>	<p>Article 5: Loans and maturities and interest-bearing methods (The first three items are omitted)</p> <p>4. The foreign companies that</p>	<p>Revision according to the regulations</p>

<p>indirectly holds 100% of the voting shares of the foreign companies engaged in the loan of funds, or the company directly and indirectly holds 100% of the voting shares of the foreign companies engaged in the company's funds, the term is five year Limit, and allocate or revolve in the amount of the resolutions of the board of directors and during the period. If necessary, it is necessary to review whether it is necessary to renew, withdraw, adjust the quota and interest rate, and approve it before the Board of Directors.</p>	<p>directly and indirectly hold 100% of the voting shares of the Company are engaged in the loan and the term of the funds is limited to one year, and they are allocated or revolved in the amount of the resolutions of the board of directors and during the period. If necessary, it is necessary to review whether it is necessary to renew, withdraw, adjust the quota and interest rate, and approve it before the Board of Directors.</p>	
<p>Article 6: Loans and Operating Procedures (first item is omitted)</p> <p>If the loan is due to the business relationship, the finance department of the company should assess whether the loan amount and the amount are the same. If the short-term financing is necessary, the reasons and circumstances of the loan and the fund should be listed, and the maximum amount and duration of the loan. Projects such as interest and interest will be reviewed and prepared as a "report", and then submitted to the chairman and then board of directors for approval.</p> <p>(The second item is omitted)</p> <p>Third, decision-making and</p>	<p>Article 6: Loans and Operating Procedures (first item is omitted)</p> <p>If the loan is due to the business relationship, the finance department of the company should assess whether the loan amount and the amount are the same. If the short-term financing is necessary, the reasons and circumstances of the loan and the fund should be listed, and the maximum amount and duration of the loan. Projects such as interest and interest will be examined and compiled into a "report",</p>	<p>Revision according to the regulations</p>



<p>authorization:</p> <p>When the funds are loaned to others, they should first be approved by the chairman of the board of directors after the financial department evaluates their risks, and then deal with them after the resolution of the board of directors.</p> <p>The company should fully consider the opinions of the independent directors when lending the funds to others. If the independent directors have any objections or reservations, they should clearly indicate in the board of directors meeting minutes.</p> <p>When the company involves major capital loans and others, it shall be approved by more than one-half of all members of the audit committee and the board of directors shall make a resolution.</p> <p>If the former item is not approved by more than one-half of all members of the audit committee, it may be agreed by more than two-thirds of all directors, and shall not be subject to the restrictions set forth in the preceding paragraph, and shall include the resolution of the audit committee in the proceedings of the board of directors. .</p> <p>(omitted below)</p>	<p>which will be sent to the general manager's office for review, and then submitted to the board of directors for review and resolution.</p> <p>(The second item is omitted)</p> <p>Third, decision-making and authorization:</p> <p>When the funds are loaned to others, they should first be approved by the general manager after the financial department evaluates their risk, and then deal with it after the resolution of the board of directors.</p> <p>When the company has set up independent directors, it should fully consider the opinions of the independent directors when lending the funds to others, and include the clear opinions and objections of the consent or objection in the records of the board of directors.</p> <p>(omitted below)</p>	
Article 8: Announcement Procedure	Article 8: Announcement Procedure	Revision of wordings

<p>(The first two items are omitted) The date of occurrence of the facts stated in the operating procedures of this Code refers to the date of signing, the date of payment, the resolution date of the board of directors, or other date on which the funds are determined and the date of the counterparty and the amount, which is earlier.</p>	<p>(The first two items are omitted) The date of occurrence of the term referred to in this standard refers to the date on which the transaction is signed, the date of payment, the resolution date of the board of directors, or other date on which the transaction object and the transaction amount are determined, which is earlier.</p>	
<p>Article 9: Subsequent control measures for loans and amounts, and procedures for processing overdue claims</p> <p>(The first two items are omitted)</p> <p>3. The Company shall request the borrower to immediate reimbursement and recovery of all collateral or guarantors provided by the loan upon maturity of the loan.</p>	<p>Article 9: Subsequent control measures for loans and amounts, and procedures for processing overdue claims</p> <p>(The first two items are omitted)</p> <p>3. When the borrow expires, the borrower shall pay off the principal and interest. If the application is postponed due to failure to repay, it must be requested in advance and submitted to the board of directors for approval. Each deferred repayment shall not exceed 12 months and shall be limited to three times. The collateral or guarantor provided shall be enforced and recovered according to law.</p>	<p>Discretionary texts clarify company interests.</p>
<p>Article 12: Implementation and revision</p> <p>(Sections 1 to 3 omitted)</p> <p>In addition, the operating procedures should be submitted to the board of directors for discussion. The opinions of the independent directors should be fully considered. If the independent directors have any objections or reservations, they</p>	<p>Article 12: Implementation and revision</p> <p>(Sections 1 to 3 omitted)</p> <p>In addition, when the company has set up independent directors, in accordance with the provisions of the preceding paragraph, the operating procedures should be submitted to the board of directors for discussion. The opinions of the independent directors should be fully considered and the reasons for their consent or objection</p>	<p>Revision according to the regulations</p>

should be stated in the minutes of the board of directors.	should be included in the board records.	
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## ATTACHMENT X: Director Candidates List

Title	Candidate Name	Education	Work History/ Background	Shares Held
Director	Shui-shu Hung	National Taiwan University Hospital, MD	* Chairman of Catcher Technology * Dr. at Chang Gung Medical Hospital	10,704,834
Director	Tien-Szu Hung	High school	* GM & Director of Catcher Technology	10,661,889
Director	Shui Sung Hung	High school	* Director of Catcher Technology	10,278,970
Director	Meng Huan Lei	National Taiwan University Hospital, MD	* Vice President of Medicine, Lotung Poh-Ai Hospital * Adjunct Lecturer at National Taiwan University Hospital	0
Independent Director	Wen-Che Tseng	National Cheng Kung University (Masters in Advancement Management)	* Executive Vice President of the Tax Department, Deloitte & Touche * Principle of Southern Region Tax Department, Deloitte & Touche (Tainan Branch) * Director of TN Soong Foundation * Supervisor of Taiwan Fu Hsing Industrial Co. Ltd. *	0
Independent Director	Tsorng Juu Liang	University of Missouri (Ph.D., Department of Electrical Engineering)	* Vice President of Electrical Engineering & Information, National Cheng Kung University * Distinguished Professor of Electrical Engineering, National Cheng Kung University * Independent Director of Leadtrend Tech Corp * Epiled * Director of HEC Group * Director of Catcher Technology	0

Independent Director	Ming-Yang Cheng	University of Missouri (Ph.D., Department of Electrical Engineering)	* F/T Professor of Electrical Engineering, National Cheng Kung University * Assistant Professor/ Associate Professor/ Professor of Electrical Engineering, National Cheng Kung University * F/T Associate Professor of Private Vocational High School of Technology & Commerce	0
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## **Appendix I: Rules For Election Of Directors**

### Article 1

Unless otherwise provided in the Company Act or the Articles of Incorporation of the Company, the directors of the Company shall be elected in accordance with the rules specified herein.

### Article 2

In election of directors of the Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided. In the election of directors of the Company, the names of voters may be represented by shareholders' numbers.

### Article 3

In the election of directors of the Company, candidates who acquire more votes should win the seats of directors. There should be more than half of the seats of the directors who are not the spouse of the second degree of kinship of each other.

### Article 4

The qualification and election of the independent directors of the Company should be in accordance with Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies and the Article 24 of Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

### Articles 5

If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such person acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present. If the elected director's personal information is incorrect or unqualified according to the related regulations, the seat should be taken by the original person who acquires the number of votes next to the elected director.

### Article 6

The shareholders on the shareholders' list all have voting rights. If there's designated representative of the corporate shareholder, it should be submitted in written form and be recorded on the shareholders' list.

### Article 7

The ballots should be prepared by the Board of Directors according to the shareholders' numbers and

indicates the number of voting rights of each shareholder.

#### Article 8

At the beginning of the election, the Chairman shall appoint several persons to check and record the ballots.

#### Article 9

If the candidate is a shareholder of the Company, voters shall fill in the “candidate” column the candidate’s name and shareholder’s number and the number of the votes cast for such candidate. If the candidate is not a shareholder of the Company, voters shall fill in the “candidate” column the candidate’s name, the candidate’s ID number and the number of votes cast for such candidate. If the candidate is government agency or a legal entity, the full name of the government agency of the legal entity or the name(s) of their representative(s) should be filled in the column.

#### Article 10

Ballots shall be deemed void under the following conditions:

- (1) Ballots not prepared by the Company;
- (2) Ballot being filled in with two or more than two candidates;
- (3) Ballots with other written characters or symbols in addition to candidate’s name, shareholder’s number (ID number) and the number of votes cast for the candidate;
- (4) Ballots not placed in the ballot box in the specified period;
- (5) Illegible writing;
- (6) If the candidate is a shareholder of the Company, the name or shareholder’s name of the candidate filled in the ballot inconsistent with the shareholders’ register. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
- (7) The name of the candidates filled in the ballots being the same as another candidate’s name and the respective shareholder’s numbers (ID numbers) not being indicated to distinguish them;
- (8) Blank ballots not completed by the voter.

#### Article 11

The ballot box used for voting shall be prepared by the Company and checked in public by the person to check the ballots before voting

#### Article 12

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

#### Article 13

The Board of the Directors shall issue notifications to the directors elected.

#### Article 14

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

#### Article 15

These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.



## Appendix II: Shareholdings of All Directors

1. Catcher Director Shareholding and Legal Minimum Shareholdings is as follows:

Common shares issued 770,391,069 shares

Legal holding of all directors in number of shares 24,652,514 shares

2. The Company has set up an Audit Committee, so limitations on supervisors' holdings are not applicable.

3. As of April 13, 2018, all board members' shareholding are as follows:

Position	Name	Number of shares	Shareholding %
Director	Shui-Shu Hung	10,704,834	1.39%
Director	Tien-Szu Hung	10,661,889	1.38%
Director	Shui-Sung Hung	10,278,970	1.33%
Director	Ming-Long Wang	0	0.00%
Independent Director	Lih-Chyun Shu	0	0.00%
Independent Director	Mon-Huan Lei	0	0.00%
Independent Director	WEN-JIE Huang	8,669	0.00%
All Directors		31,654,362	4.10%

## **Appendix III: Other Items**

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

Not Applicable

### **2. Shareholders' Proposal for 2018's Shareholders' Meeting**

According to Company Act-section 172-1 and related regulations, the shareholders with above 1% holdings of Catcher could submit the proposals to the Company (No 398, RenAi Street, Yongkang Dist, Tainan, Taiwan) during the period starting from 2019/03/28 to 2019/04/08. No proposals for 2019's shareholders' meeting were received during the period.