

Proposed Resolutions

1. To accept 2016 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes: (1) CATCHER's 2016 Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Shareholders' Equity, and Cash Flow Statements, were approved by board of directors. The Financial Statements were audited by independent auditors, Mr. Hung Ju Liao and 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 2016 Business Report, Financial Statements, and Consolidated Financial Statements.

2. To approve the proposal for distribution of 2016 profits (Proposed by the Board of Directors)

Explanatory Notes: (1) The proposed profits distribution is allocated from Retained Earnings in 2016 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 7,703,910,690 equivalent to NTD 10 per share based on 770,391,069 outstanding shares as of the book closure date of 2017 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 2016

Unit: NTD

Retained Earnings at the beginning of this period	\$61,524,231,586
Adjustment in Retained Earnings from equity-method investment	(35,420)
Adjustment in Retained Earnings from benefit plans	<u>0</u>
Retained Earnings after adjustment	61,524,196,166
Profits for current year	22,019,793,076
Minus: Legal Reserve	<u>(109,627,386)</u>
Retained Earnings Available for Distribution	81,232,382,548
Dividends- Cash (NTD 10 per share)	<u>(7,703,910,690)</u>
Retained Earnings at the end of this period	<u><u>\$73,528,471,858</u></u>

(1) The dividends distributed come from 2016 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.

Discussion Items

1. To approve the issuance of new common shares for cash and/or issuance of Global Depository Receipt (GDR) (Proposed by the Board of Directors)

Explanatory Notes:

In order to expand capacity in the future, enrich working capital, meet the other funding needs for long-term development, or get more diversified and flexible funding sources, it is hereby proposed that the shareholders meeting to authorize the Board of Directors ("Board") to raise fund, depending on the market conditions and the Company's capital needs, to choose appropriate timing and fund raising method(s), to issue new common 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.

- (1) 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 2016 annual shareholders meeting. Given that the issuance of new shares is going to enhance company's competitiveness and then increase shareholders' value, thus it is unlikely that such issuance will have a material dilutive effect on the holding of the current existing shareholders.
- (iii) Except for 10% -15% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depository shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, depending on the market needs, to be allocated as underlying shares of the global depository shares or to be subscribed by the designated person(s).
- (iv) The uses of the proceeds of this issuance are for building facilities or purchasing factories, equipments, materials, or to repay bank loans, re-invest, enrich working capital, which are expect to complete in 3 years.
- (v) The Board/Chairman are authorized to determine or adjust the major terms of this new issuance, including but not limit to the issue price, issuance shares /amount, terms, uses/sources of fund, schedule, and results etc., according to the market condition or regulatory requirement.
- (vi) To complete the issuance, the board, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with the issuance of the new common shares to sponsor the 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, equipments, 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.

2. To amend the company's "Acquisition or Disposal of Assets Procedure"

Explanatory Notes: (1) To cope with the revised regulation of "Rules regarding the acquisition or disposal of Assets for public companies" by SFC on 2017/2/9, please approve the revised Acquisition or Disposal of Assets Procedure of the Company. (2) The comparison tables for the aforementioned internal rules before and after revisions are attached hereto as Attachments V.

Other Business and Special Motion

Meeting Adjourned