

Catcher Technology Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
First Quarter of 2023 and 2022
Independent Auditors' Review Report**

Independent Auditors' Review Report

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

Introduction

Catcher Technology Co., Ltd. and its subsidiaries' (Catcher Group) Consolidated Balance Sheets as at March 31, 2023 and 2022, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to March 31, 2023 and 2022, have been reviewed by the CPAs. The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our reviews in accordance with TWSRE 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Standards on Review Engagement. A review of consolidated financial statements consists of making inquiries (primarily of personnel responsible for financial and accounting matters) and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review (please see Other Matter), we are not aware of any material respects in which the consolidated financial statements referred to above do not comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and which do not present fairly the consolidated financial position of Catcher Group as of March 31, 2023 and 2022, and the consolidated financial results and consolidated cash flows from January 1 to March 31, 2023 and 2022.

Other Matter

Among the subsidiaries included in the consolidated financial report of Catcher Group for the first quarter of 2022, and investments accounted for using the equity method for the first quarter of 2023, the financial reports of Ke Yue, Yi Sheng, Yi De and Bioteque Corporation accounted for using the equity method were not reviewed by the CPAs; however, they were reviewed by other accountants. Thus, the conclusion made by the CPAs on the consolidated financial report, regarding the investment amounts listed in the financial reports of Ke Yue, Yi Sheng, Yi De and Bioteque Corporation accounted for using the equity method, is based on the review reports by other accountants. The combined assets of the aforementioned subsidiaries as of March 31, 2022 accounted for 2% of the total consolidated assets. The consolidated comprehensive income of these subsidiaries from January 1 to March 31, 2022 accounted for -1% of the total consolidated comprehensive income. The total investment in the aforementioned entities accounted for using the equity method as of March 31, 2023 amounted to NT\$415,820 thousand, representing 0.2% of the total consolidated assets. From January 1 to March 31, 2023, the share of comprehensive income recognized from the equity method investments was NT\$14,252 thousand, representing 1% of the total consolidated comprehensive income.

The engagement partners on the audits resulting in this independent auditors' review report are Hung-Ju Liao and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
May 9, 2023

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 prevail.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2023, DECEMBER 31, 2022, AND MARCH 31, 2022

(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 63,546,789	26	\$ 57,529,369	24	\$ 41,423,875	17
Financial assets at FVTPL - current (Note 7)	195,940	-	189,736	-	4,578,527	2
Financial assets at FVTOCI - current (Note 8)	561,515	-	143,609	-	2,232,178	1
Financial assets at amortized cost - current (Notes 9 and 32)	78,312,941	32	116,953,536	49	133,305,085	55
Trade receivables (Notes 11 and 25)	4,308,765	2	9,564,795	4	7,714,410	3
Other receivables (Note 11)	1,762,569	1	843,330	-	294,585	-
Current tax assets	112,799	-	52,278	-	429,727	-
Inventories (Notes 12 and 33)	3,505,747	2	3,392,456	1	3,330,577	1
Other current assets (Note 19)	350,370	-	309,385	-	358,788	-
Total current assets	<u>152,657,435</u>	<u>63</u>	<u>188,978,494</u>	<u>78</u>	<u>193,667,752</u>	<u>79</u>
NON-CURRENT ASSETS						
Financial assets at FVTPL - non-current (Note 7)	1,289,744	1	1,298,244	1	1,093,629	1
Financial assets at FVTOCI - non-current (Note 8)	41,622,100	17	3,509,701	2	4,516,503	2
Financial assets at amortized cost - non-current (Note 9)	25,495,995	11	25,738,655	11	22,474,719	9
Investments accounted for using the equity method (Note 14)	2,171,307	1	2,181,179	1	6,181	-
Property, plant and equipment (Notes 15 and 33)	13,823,097	6	14,338,395	6	17,558,695	7
Right-of-use assets (Note 16)	995,684	-	999,332	-	1,039,819	-
Investment properties (Note 17)	951,780	-	953,276	-	220,118	-
Intangible assets (Note 18)	18,447	-	22,707	-	48,470	-
Deferred tax assets	3,324,699	1	3,440,126	1	4,102,859	2
Other non-current assets (Note 19)	182,113	-	102,581	-	41,490	-
Total non-current assets	<u>89,874,966</u>	<u>37</u>	<u>52,584,196</u>	<u>22</u>	<u>51,102,483</u>	<u>21</u>
TOTAL	<u>\$ 242,532,401</u>	<u>100</u>	<u>\$ 241,562,690</u>	<u>100</u>	<u>\$ 244,770,235</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 32)	\$ 64,376,000	27	\$ 56,696,000	24	\$ 71,022,726	29
Contract liabilities - current (Note 25)	6,129	-	42,803	-	6,333	-
Trade payables (Note 21)	1,736,397	1	2,720,459	1	2,878,134	1
Other payables (Note 22)	5,056,247	2	5,686,595	2	5,513,110	2
Current tax liabilities	2,974,142	1	3,183,772	1	883,614	1
Lease liabilities - current (Note 16)	4,761	-	5,923	-	13,192	-
Other current liabilities (Note 22)	893,658	-	856,684	-	826,044	-
Total current liabilities	<u>75,047,334</u>	<u>31</u>	<u>69,192,236</u>	<u>28</u>	<u>81,143,153</u>	<u>33</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	6,480,645	3	6,424,940	3	6,467,011	3
Lease liabilities - non-current (Note 16)	126,522	-	126,297	-	124,601	-
Net defined benefit liabilities - non-current (Note 4)	6,567	-	6,569	-	6,580	-
Other non-current liabilities (Note 22)	10,036	-	10,036	-	8,935	-
Total non-current liabilities	<u>6,623,770</u>	<u>3</u>	<u>6,567,842</u>	<u>3</u>	<u>6,607,127</u>	<u>3</u>
Total liabilities	<u>81,671,104</u>	<u>34</u>	<u>75,760,078</u>	<u>31</u>	<u>87,750,280</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	<u>7,144,671</u>	<u>3</u>	<u>7,144,671</u>	<u>3</u>	<u>7,297,531</u>	<u>3</u>
Capital surplus	<u>18,772,536</u>	<u>8</u>	<u>18,771,534</u>	<u>8</u>	<u>19,173,040</u>	<u>8</u>
Retained earnings						
Legal reserve	22,354,680	9	22,354,680	9	21,497,294	9
Special reserve	16,961,466	7	16,961,466	7	14,394,310	6
Unappropriated earnings	<u>103,687,482</u>	<u>43</u>	<u>102,803,702</u>	<u>43</u>	<u>106,405,526</u>	<u>43</u>
Total retained earnings	<u>143,003,628</u>	<u>59</u>	<u>142,119,848</u>	<u>59</u>	<u>142,297,130</u>	<u>58</u>
Other equity	(<u>1,703,753</u>)	(<u>1</u>)	(<u>2,244,484</u>)	(<u>1</u>)	(<u>11,757,929</u>)	(<u>5</u>)
Treasure shares	(<u>6,366,835</u>)	(<u>3</u>)	-	-	-	-
Total equity attributable to owners of the Company	<u>160,850,247</u>	<u>66</u>	<u>165,791,569</u>	<u>69</u>	<u>157,009,772</u>	<u>64</u>
NON-CONTROLLING INTERESTS	<u>11,050</u>	<u>-</u>	<u>11,043</u>	<u>-</u>	<u>10,183</u>	<u>-</u>
Total equity	<u>160,861,297</u>	<u>66</u>	<u>165,802,612</u>	<u>69</u>	<u>157,019,955</u>	<u>64</u>
TOTAL	<u>\$ 242,532,401</u>	<u>100</u>	<u>\$ 241,562,690</u>	<u>100</u>	<u>\$ 244,770,235</u>	<u>100</u>

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

(Refer to the review report of Deloitte & Touche dated May 9, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

JANUARY 1 TO MARCH 31, 2023 AND 2022

(Reviewed only, not audited with auditing standards)

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

	January 1 to March 31, 2023		January 1 to March 31, 2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 16 and 25)	\$ 3,541,744	100	\$ 7,220,830	100
OPERATING COSTS (Notes 12 and 26)	<u>2,729,963</u>	<u>77</u>	<u>5,082,009</u>	<u>70</u>
GROSS PROFIT	<u>811,781</u>	<u>23</u>	<u>2,138,821</u>	<u>30</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	69,977	2	97,137	1
General and administrative expenses	448,584	12	544,167	8
Research and development expenses	<u>308,945</u>	<u>9</u>	<u>404,242</u>	<u>6</u>
Total operating expenses	<u>827,506</u>	<u>23</u>	<u>1,045,546</u>	<u>15</u>
PROFIT FROM OPERATIONS	(<u>15,725</u>)	<u>-</u>	<u>1,093,275</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 14 and 26)				
Interest income	2,149,503	61	238,896	3
Other income	23,985	-	35,789	1
Foreign exchange gains (losses), net	(849,212)	(24)	2,201,502	30
Other gains	61,056	2	(316,162)	(4)
Interest expense	(238,823)	(7)	(130,132)	(2)
Expected credit losses	-	-	(76,671)	(1)
Share of profit (loss) of associates	<u>36,695</u>	<u>1</u>	(<u>1,870</u>)	<u>-</u>
Total non-operating income and expenses	<u>1,183,204</u>	<u>33</u>	<u>1,951,352</u>	<u>27</u>
PROFIT BEFORE INCOME TAX	1,167,479	33	3,044,627	42
INCOME TAX EXPENSE (Notes 4 and 27)	<u>283,599</u>	<u>8</u>	<u>993,570</u>	<u>13</u>
NET PROFIT	<u>883,880</u>	<u>25</u>	<u>2,051,057</u>	<u>29</u>

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	January 1 to March 31, 2023		January 1 to March 31, 2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)				
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	\$ 126,290	3	(\$ 81,964)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(863,605)	(24)	5,413,296	75
Unrealized gain (loss) on investment in debt instrument at fair value through other comprehensive income	<u>1,277,953</u>	<u>36</u>	<u>(123,983)</u>	<u>(2)</u>
Current-period other comprehensive income (post-tax profit or loss)	<u>540,638</u>	<u>15</u>	<u>5,207,349</u>	<u>72</u>
Total comprehensive income	<u>\$ 1,424,518</u>	<u>40</u>	<u>\$ 7,258,406</u>	<u>101</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 883,780	25	\$ 2,057,118	28
Non-controlling interests	<u>100</u>	<u>-</u>	<u>(6,061)</u>	<u>-</u>
	<u>\$ 883,880</u>	<u>25</u>	<u>\$ 2,051,057</u>	<u>28</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,424,511	40	\$ 7,260,655	101
Non-controlling interests	<u>7</u>	<u>-</u>	<u>(2,249)</u>	<u>-</u>
	<u>\$ 1,424,518</u>	<u>40</u>	<u>\$ 7,258,406</u>	<u>101</u>
EARNINGS PER SHARE (Note 28)				
Basic	\$ 1.25		\$ 2.81	
Diluted	1.25		2.80	

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

(Refer to the review report of Deloitte & Touche dated May 9, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
JANUARY 1 TO MARCH 31, 2023 AND 2022
(Reviewed only, not audited with auditing standards)
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at FVTOCI	Total	Treasure Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 7,144,671	\$ 18,771,534	\$ 22,354,680	\$ 16,961,466	\$ 102,803,702	(\$ 2,001,758)	(\$ 242,726)	(\$ 2,244,484)	\$ -	\$ 165,791,569	\$ 11,043	\$ 165,802,612
Donations from shareholders	-	1,002	-	-	-	-	-	-	-	1,002	-	1,002
Net profit from January 1 to March 31, 2023	-	-	-	-	883,780	-	-	-	-	883,780	100	883,880
Other comprehensive income after tax for the three months ended March 31, 2023	-	-	-	-	-	(863,512)	1,404,243	540,731	-	540,731	(93)	540,638
Total comprehensive income/(loss) for the three months ended March 31, 2023	-	-	-	-	883,780	(863,512)	1,404,243	540,731	-	1,424,511	7	1,424,518
Buyback of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(6,366,835)	(6,366,835)	-	(6,366,835)
BALANCE AT MARCH 31, 2023	<u>\$ 7,144,671</u>	<u>\$ 18,772,536</u>	<u>\$ 22,354,680</u>	<u>\$ 16,961,466</u>	<u>\$ 103,687,482</u>	(<u>\$ 2,865,270</u>)	<u>\$ 1,161,517</u>	(<u>\$ 1,703,753</u>)	(<u>\$ 6,366,835</u>)	<u>\$ 160,850,247</u>	<u>\$ 11,050</u>	<u>\$ 160,861,297</u>
BALANCE AT JANUARY 1, 2022	\$ 7,616,181	\$ 20,008,824	\$ 21,497,294	\$ 14,394,310	\$ 108,287,799	(\$ 16,859,133)	(\$ 102,333)	(\$ 16,961,466)	(\$ 3,465,809)	\$ 151,377,133	\$ 49,589	\$ 151,426,722
Donations from shareholders	-	1,192	-	-	-	-	-	-	-	1,192	-	1,192
Net profit (loss) from January 1 to March 31, 2022	-	-	-	-	2,057,118	-	-	-	-	2,057,118	(6,061)	2,051,057
Other comprehensive income after tax for the three months ended March 31, 2022	-	-	-	-	-	5,409,484	(205,947)	5,203,537	-	5,203,537	3,812	5,207,349
Total comprehensive income/(loss) for the three months ended March 31, 2022	-	-	-	-	2,057,118	5,409,484	(205,947)	5,203,537	-	7,260,655	(2,249)	7,258,406
Buyback of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(1,629,208)	(1,629,208)	-	(1,629,208)
Cancellation of treasury shares (Note 24)	(318,650)	(836,976)	-	-	(3,939,391)	-	-	-	5,095,017	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(37,157)	(37,157)
BALANCE AT MARCH 31, 2022	<u>\$ 7,297,531</u>	<u>\$ 19,173,040</u>	<u>\$ 21,497,294</u>	<u>\$ 14,394,310</u>	<u>\$ 106,405,526</u>	(<u>\$ 11,449,649</u>)	(<u>\$ 308,280</u>)	(<u>\$ 11,757,929</u>)	<u>\$ -</u>	<u>\$ 157,009,772</u>	<u>\$ 10,183</u>	<u>\$ 157,019,955</u>

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

(Refer to the review report of Deloitte & Touche dated May 9, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

JANUARY 1 TO MARCH 31, 2023 AND 2022

(Reviewed only, not audited with auditing standards)

(In Thousands of New Taiwan Dollars)

	January 1 to March 31, 2023	January 1 to March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 1,167,479	\$ 3,044,627
Adjustments for:		
Depreciation expense	739,978	918,255
Amortization expense	5,848	13,152
Expected credit losses	-	76,671
Net loss (gain) on financial instruments at fair value through profit or loss	(4,576)	291,066
Interest expense	238,823	130,132
Interest income	(2,149,503)	(238,896)
Dividend income	-	(24,951)
Share of (profit) loss of associates	(36,695)	1,870
Proceeds from disposal of property, plant and equipment	(211,432)	(32,065)
Net loss on disposal of financial assets	-	35,269
Loss on disposal of subsidiaries	-	9,883
Unrealized proceeds from foreign currency exchange	(35,762)	(1,712,626)
Changes in operating assets and liabilities		
Trade receivables	5,306,674	2,167,982
Other receivables	139	21,031
Inventories	(307,407)	72,561
Other current assets	(198,954)	39,073
Contract liabilities	(36,674)	(26,409)
Trade payables	(998,395)	(685,047)
Other payables	(418,009)	(519,297)
Other current liabilities	43,017	(602,639)
Net defined benefit liabilities	(2)	2
Cash generated from operations	3,104,549	2,979,644
Dividends received	-	24,906
Income tax paid	(339,089)	(12,913)
Net cash generated from operating activities	<u>2,765,460</u>	<u>2,991,637</u>

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	January 1 to March 31, 2023	January 1 to March 31, 2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(\$ 37,750,527)	(\$ 481,188)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	896,599
Purchase of financial assets at amortized cost	(77,738,893)	(119,198,534)
Proceeds from sale of financial assets at amortized cost	115,865,061	112,426,834
Purchase of financial assets at fair value through profit or loss	(35,940)	(2,799,926)
Proceeds from disposals of financial assets at fair value through profit or loss	-	2,038,709
Acquisition of property, plant and equipment	(72,691)	(147,160)
Proceeds from disposal of property, plant and equipment	6,452	41,164
Increase in refundable deposits	11,992	(1,322)
Decrease in refundable deposits	955	17
Interest received	<u>1,929,496</u>	<u>205,648</u>
Net cash generated from investing activities	<u>2,215,905</u>	(<u>7,019,159</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	148,392,000	76,596,726
Repayments of short-term borrowings	(140,712,000)	(83,605,726)
Proceeds from guarantee deposits received	2,827	560
Refunds of guarantee deposits received	(2,132)	(1,963)
Repayment of the principal portion of lease liabilities	(938)	(2,249)
Payments for buy-back of ordinary shares	(6,142,006)	(1,673,843)
Interest paid	(240,069)	(131,914)
Decrease in non-controlling interests	-	(37,157)
Proceeds from unclaimed dividends	<u>1,002</u>	<u>1,192</u>
Net cash generated from financing activities	<u>1,298,684</u>	(<u>8,854,374</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(<u>262,629</u>)	<u>1,190,486</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,017,420	(11,691,410)
OPENING CASH AND CASH EQUIVALENTS	<u>57,529,369</u>	<u>53,115,285</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>\$ 63,546,789</u>	<u>\$ 41,423,875</u>

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

(Refer to the review report of Deloitte & Touche dated May 9, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 1 TO MARCH 31, 2023 AND 2022

(Reviewed only, not audited with auditing standards)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Catcher Technology Co., Ltd. (the “Company”) was incorporated in November 1984 under the laws of the Republic of China (R.O.C.). The Company manufactures and sells mainly aluminum and magnesium extrusion and stamping products and molds. It also provides leasing services.

The Company’s shares were listed and traded on the Taipei Exchange (formerly called the GreTai Securities Market) from November 1999 until September 2001, when the Company listed its shares on the Taiwan Stock Exchange (TWSE) under stock number “2474” and ceased listing and trading on the Taipei Exchange.

The Company increased its capital by listing its shares in the form of Global Depositary Receipts (GDRs) on the Luxembourg Stock Exchange (Euro MTF) in June 2011.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the Group, are presented in the Company’s functional currency, the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were published after approved by the Company’s Board of Directors on May 9, 2023.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Company and its subsidiaries (collectively referred to as the “Group”).

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between An Investor and Its Associate or Joint Venture”	To be announced
Amendments to IFRS 16 “ Lease Liability in A Sale and Leaseback ”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: Lessees shall apply the amendments to IFRS 16 retroactively to the sale and leaseback transaction signed after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group has been continuously assessing the possible impact from the interpretations and amendments to the above standards on the Group’s financial status and financial performance; the Group will disclose the relevant impact once the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial reports do not include all the IFRSs disclosures as required for annual consolidated financial reports.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs: (unadjusted) prices quoted in active markets for identical assets or liabilities;
- 2) Level 2 inputs: other than quoted prices classified as Level 1 inputs, observable inputs for assets or liabilities, either directly obtained (i.e. prices)

or indirectly derived (from prices);

3) Level 3 inputs: unobservable inputs for assets or liabilities.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this leads to a deficit balance for the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over its subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Please see Note 13, tables 7 and 8 for detailed information on subsidiaries, including percentages of ownership and main business.

d. Other significant accounting policies

In addition to the following description, please refer to the summary of significant accounting policies in the 2022 Consolidated Financial Report.

1) Defined retirement benefits

The pension cost in the interim period is calculated using the actuarially determined pension cost rate at the end of the previous year, and based on a period from the beginning of the year to the end of the current period. Adjustments are made for critical market volatilities in the current period, as well as major project revisions, liquidations, or other major one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and tax deferred. Income tax for the interim period is evaluated on an annual basis and is calculated on the interim pre-tax profit using the tax rate applicable to the expected total annual profit.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the description for the major sources of uncertainty in critical accounting judgments, estimates and assumptions in the 2022 Consolidated Financial Report.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 4,862	\$ 1,969	\$ 2,709
Demand deposits in banks	11,127,663	10,794,953	9,981,653
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	52,414,264	46,595,647	31,205,060
Repurchase agreements	-	136,800	136,836
Commercial paper	-	-	97,617
	<u>\$ 63,546,789</u>	<u>\$ 57,529,369</u>	<u>\$ 41,423,875</u>

The interest rate intervals of time deposits, repurchase agreements and commercial paper were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits	1.14%~6.10%	0.93%~5.20%	0.25%~2.1%
Repurchase agreements	-	1.05%	1%
Commercial paper	-	-	0.47%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Non-derivative financial assets			
Beneficiary certificates	\$ -	\$ -	\$ 2,290,833
Listed shares	195,940	189,736	2,287,694
	<u>\$ 195,940</u>	<u>\$ 189,736</u>	<u>\$ 4,578,527</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Non-derivative financial assets			
Private equity funds	\$ 1,042,253	\$ 1,026,794	\$ 823,841
Private equity securities	-	22,309	59,553
Limited partnerships	247,491	249,141	132,947
Simple Agreement for Future Equity (SAFE)	-	-	77,288
	<u>\$ 1,289,744</u>	<u>\$ 1,298,244</u>	<u>\$ 1,093,629</u>

8. FINANCIAL ASSETS AT FVTOCI

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Investments in equity instruments	<u>\$ 561,515</u>	<u>\$ 143,609</u>	<u>\$ 2,232,178</u>
<u>Non-current</u>			
Investments in equity instruments	\$ 1,640,478	\$ 1,342,874	\$ 919,000
Investments in debt instruments	<u>39,981,622</u>	<u>2,166,827</u>	<u>3,597,503</u>
	<u>\$41,622,100</u>	<u>\$ 3,509,701</u>	<u>\$ 4,516,503</u>

a. Investments in equity instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investments			
Listed shares	\$ 561,515	\$ 143,609	\$ 2,232,178
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 57,030	\$ 57,330	\$ 36,630
Foreign investments			
Limited partnerships	1,538,186	1,285,544	882,370
Listed shares	45,262	-	-
	<u>\$ 1,640,478</u>	<u>\$ 1,342,874</u>	<u>\$ 919,000</u>

The investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purpose. Accordingly, the management decided to designate and evaluate the investments in equity instruments at FVTOCI as they believe that recognizing profit or loss from short-term fair value fluctuations of these investments is not consistent with the Group's long-term investment plan.

The Group increased its investment in China Renewable Energy Fund, L.P. (the CREF) by US\$5,526 thousand and US\$13,520 thousand in March 2023 and 2022, respectively, and accounted for 23.51% of the CREF. Holding only 1 out of 5 seats in the Operation Committee of the CREF and considering this as having no significant influence over the investee, the Group's management decided to classify the investment as financial assets at FVTOCI - non-current.

The Group was elected as director respectively of the boards of Pacific Hospital Supply Co., Ltd. and Bioteque Corporation in June 2022. Despite holding less than 20% stake in each of the aforementioned companies, the Group considers itself as having major influence. Starting from June 15, 2022, the Group changed the accounting treatment for the two investees using the equity method, based on the closing prices on the date, from financial assets at FVTOCI as previously classified. Please see Note 14.

b. Investments in debt instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Non-current</u>			
Corporate bonds	\$ 1,845,471	\$ 1,853,561	\$ 3,597,503
Government bonds	38,136,151	313,266	-
	<u>\$ 39,981,622</u>	<u>\$ 2,166,827</u>	<u>\$ 3,597,503</u>

Refer to Note 10 for information relating to the credit risk management and impairment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investments			
Time deposits with original maturity of more than 3 months (a)	\$ 53,809,342	\$102,265,050	\$132,827,448
Restricted bank deposits (a and b)	24,502,400	14,687,274	-
Repurchase agreements (a)	-	-	475,005
Refundable deposits	1,199	1,212	2,632
	<u>\$ 78,312,941</u>	<u>\$116,953,536</u>	<u>\$133,305,085</u>
<u>Non-current</u>			
Domestic investments			
Restricted bank deposits (a and b)	\$ 25,215,484	\$ 25,454,889	\$ 22,210,079
Time deposits with original maturity of more than 1 year (a)	279,680	282,072	262,890
Refundable deposits	831	1,694	1,750
	<u>\$ 25,495,995</u>	<u>\$ 25,738,655</u>	<u>\$ 22,474,719</u>

- a. The interest rates intervals of time deposits and repurchase agreements

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits	1.06%~6.10%	0.93%~5.65%	0.12%~1.12%
Repurchase agreements	-	-	1.20%

- b. Restricted bank deposits are the deposits into designated bank accounts by the Group in accordance with “The Management, Utilization, and Taxation of Repatriated offshore Funds Act”.
- c. For information on financial assets measured at amortized cost - current pledges, please refer to Note 32.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Debt instruments invested by the Group are financial assets measured at fair value through other comprehensive income:

March 31, 2023

	Financial Assets at FVTOCI
Gross carrying amount	\$ 40,031,358
Allowance for impairment loss	(49,736)
	<u>\$ 39,981,622</u>

December 31, 2022

	Financial Assets at FVTOCI
Gross carrying amount	\$ 2,216,987
Allowance for impairment loss	(50,160)
	<u>\$ 2,166,827</u>

March 31, 2022

	Financial Assets at FVTOCI
Gross carrying amount	\$ 3,675,903
Allowance for impairment loss	(78,400)
	<u>\$ 3,597,503</u>

The Group invests in debt instruments with credit rating information supplied by independent rating agencies. The Group continues to track external rating information to monitor changes in the credit risk of the invested debt instruments, while reviewing other information such as bond yield curves and major information of the debtors to assess whether the credit risk of debt instrument investments has increased significantly since initial recognition.

The Group takes into consideration a variety of historical default risks and loss ratios provided by external rating agencies, the debtors' current financial status and the prospect forecast for the industry where it belongs to, to measure the expected credit loss of 12 months or the expected credit loss for the duration of the investment in debt instrument.

The credit risk rating mechanism the Group currently adopts is as follows:

Credit Rating	Definition	Recognition Basis for Expected Credit Loss
Normal	The debtor's credit risk is low, and the debtor has sufficient ability to repay the contractual cash flow	12-month expected credit losses
Abnormal	Credit risk has increased significantly since initial recognition	Expected credit loss for the duration of the debt instrument investment (without credit impairment)
Default	Evidence of credit impairment	Expected credit loss for the duration of the debt instrument investment (with credit impairment)
Offset	There is evidence that the debtor is in serious financial difficulty and that the Group has no reasonable expectation of recovery	Direct write-off

The total carrying amount and applicable expected credit loss rate for debt instrument investments of each credit rating are as follows:

March 31, 2023

Credit Rating	Expected Credit Loss Rate	Total Carrying Amount Measured at FVTOCI
Normal	0%	\$ 39,981,622
Abnormal	100%	49,736

December 31, 2022

Credit Rating	Expected Credit Loss Rate	Total Carrying Amount Measured at FVTOCI
Normal	0%	\$ 2,166,827
Abnormal	100%	50,160

March 31, 2022

Credit Rating	Expected Credit Loss Rate	Total Carrying Amount Measured at FVTOCI
Normal	0%	\$ 3,597,503
Abnormal	100%	78,400

In the first quarter of 2022, the conflict between Russia and Ukraine as well as the following international sanctions resulted in greater financial uncertainty for debtors. The Group raised the expected credit loss rate considering that if the conflict continues, the probability of default would increase.

Information about changes in loss allowances on debt instrument investments measured at fair value through other comprehensive income is as follows:

	Credit Rating
	Abnormal (expected credit loss without credit impairment over the duration)
Balance at January 1, 2023	\$ 50,160
Changes in exchange rates	(424)
Balance at March 31, 2023	<u>\$ 49,736</u>
Balance at January 1, 2022	\$ -
Changes in credit rating of debt instruments recognized in the beginning of period	
- normal to abnormal	76,671
Changes in exchange rates and others	<u>1,729</u>
Balance at March 31, 2022	<u>\$ 78,400</u>

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,317,203	\$ 9,573,233	\$ 7,772,692
Less: Allowance for impairment loss	(8,438)	(8,438)	(58,282)
	<u>\$ 4,308,765</u>	<u>\$ 9,564,795</u>	<u>\$ 7,714,410</u>
Other receivables	<u>\$ 1,762,569</u>	<u>\$ 843,330</u>	<u>\$ 294,585</u>

a. Trade receivables

The average credit period for sales of goods is 30 to 180 days, and there is no interest charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate actions are taken to recover receivables past due. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate loss allowance is provided against possible irrecoverable amount. Thus, the management believes that the Group's credit risk has been significantly reduced.

The Group recognizes the loss allowance for trade receivables based on the lifetime expected credit losses (ECLs). The expected credit losses on trade receivables are calculated using a provision matrix by referring to clients' past default records and current financial status, while adjusted for industry conditions and taking into consideration the economic and industry outlook. The provision matrix determines the expected credit loss ratio based on the number of days that a trade receivable is past due, with no further client segmentation, considering there is no significant difference between the loss patterns of different customer groups.

The Group writes off a trade receivable when there is an evidence that the trade counterpart is in severe financial difficulty and there is no realistic prospect of recovery. For instance, when the trade counterpart is under liquidation, the Group writes off the underlying receivables directly, while continuing to engage in enforcement activity in an attempt to recover the receivables past due. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2023

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 150 Days	Total
Expected credit loss ratio	0%~0.218%	0%	0%	0%	
Gross carrying amount	\$ 3,863,758	\$ 446,308	\$ 7,008	\$ 129	\$ 4,317,203
Loss allowance (lifetime ECLs)	(8,438)	-	-	-	(8,438)
Amortized cost	<u>\$ 3,855,320</u>	<u>\$ 446,308</u>	<u>\$ 7,008</u>	<u>\$ 129</u>	<u>\$ 4,308,765</u>

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 120 Days	Total
Expected credit loss ratio	0%~0.098%	0%	0%	
Gross carrying amount	\$ 8,613,580	\$ 901,681	\$ 57,972	\$ 9,573,233
Loss allowance (lifetime ECLs)	(8,438)	-	-	(8,438)
Amortized cost	<u>\$ 8,605,142</u>	<u>\$ 901,681</u>	<u>\$ 57,972</u>	<u>\$ 9,564,795</u>

March 31, 2022

	Not Past Due	Less than 60 Days	61 to 120 Days	Total
Expected credit loss ratio	0%~0.798%	0%~2.366%	0%	
Gross carrying amount	\$ 7,055,354	\$ 676,715	\$ 40,623	\$ 7,772,692
Loss allowance (lifetime ECLs)	(56,295)	(1,987)	-	(58,282)
Amortized cost	<u>\$ 6,999,059</u>	<u>\$ 674,728</u>	<u>\$ 40,623</u>	<u>\$ 7,714,410</u>

Changes in loss allowances for trade receivables are as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Opening balance	\$ 8,438	\$ 57,183
Effects of foreign currency exchange differences	-	1,099
Ending balance	<u>\$ 8,438</u>	<u>\$ 58,282</u>

b. Other receivables

No loss allowance is provided against other receivables as historical experiences suggest that the possibility of recovery for other receivables is extremely high.

12. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Merchandise	\$ 470	\$ 4,980	\$ 4,443
Finished goods	2,317,750	1,999,755	1,757,050
Work-in-process and semi-finished goods	740,031	955,454	1,172,343
Raw materials and supplies	447,496	432,267	396,741
	<u>\$ 3,505,747</u>	<u>\$ 3,392,456</u>	<u>\$ 3,330,577</u>

The nature of the cost of goods sold is as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Cost of inventories sold	\$ 2,939,088	\$ 5,112,098
Others	(209,125)	(30,089)
	<u>\$ 2,729,963</u>	<u>\$ 5,082,009</u>

13. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The reporting entities of the consolidated financial statements are as follows:

Investor Company	Investee	Main Business	% of Ownership			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	100	
	Ke Yue Co., Ltd.	Investing activities	100	100	100	
	Yi Sheng Co., Ltd.	Investing activities	100	100	100	
	Yi De Co., Ltd.	Investing activities	100	100	100	
	Catcher Medtech Co., Ltd.	Manufacturing and selling medical devices	100	100	100	
Nanomag International Co., Ltd.	Catcher Holdings International Inc.	Investing activities	-	-	-	Note 3
	Castmate International Co., Ltd.	Investing activities	100	100	100	
	Stella International Co., Ltd.	Investing activities	100	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	75	
	Norma International Co., Ltd.	Investing activities	100	100	100	
	Next Level Ltd.	Investing activities	100	100	100	
	Cor Ventures Pte. Ltd.	Investing activities	100	100	100	
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Investing activities	100	100	100	
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	100	
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	100	100	100	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	100	100	100	
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Investing activities	100	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling varied molds and electronic components	-	-	-	Note 1
Norma International Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	100	100	100	
	Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	100	100	100	
Gigamag Co., Ltd.	Neat Co., Ltd.	International trade	-	-	100	Note 2
Catcher Holdings International Inc.	Catcher Ventures Inc.	Investing activities	-	-	-	Note 3

Note 1: Aquila Technology (Suqian) Co., Ltd. was liquidated and canceled in February 2022.

Note 2: Neat Co., Ltd. was liquidated and canceled in May 2022.

Note 3: The Company established Catcher Holdings International Inc. and Catcher

Ventures Inc. in June 2022. As of March 31, 2023, the investment funds have not been remitted.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Investments in associates</u>			
Associates that are not individually material			
Pacific Hospital Supply Co., Ltd.	\$ 1,021,045	\$ 998,597	\$ -
Bioteque Corporation	1,147,498	1,179,813	-
Smart Ecare Inc.	<u>2,764</u>	<u>2,769</u>	<u>6,181</u>
	<u>\$ 2,171,307</u>	<u>\$ 2,181,179</u>	<u>\$ 6,181</u>

Information of associates that are not individually material is integrated as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
The Group's share of:		
Net gain (loss) and total comprehensive income for current period	<u>\$ 36,695</u>	(<u>\$ 1,870</u>)

As prescribed in Note 8, the common shares of Pacific Hospital Supply Co., Ltd. and Bioteque Corporation held by the Group were transferred in June 2022 to investment accounted for using the equity method from financial assets at fair value through other comprehensive income using the equity method. Given that it is in the evaluation period, the Group is entrusting experts to assist in identifying and measuring the fair value of the identifiable net assets of the above-mentioned investee companies, with the price allocation to be completed within a year after the transfer date. During subsequent measurement periods, the Group will make retrospective adjustments based on new information obtained about the facts and circumstances that existed at the transfer date.

The investment of Smart Ecare Inc. accounted for using the equity method, and its profit and loss as well as other comprehensive income shared with the Group, were calculated based on the financial reports which were not reviewed by CPAs. The management of the Group nevertheless believes this would not have a significant impact.

15. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are used by the Group.

Please refer to Table 10 for the 2023 and 2022 changes in property, plant, and equipment of the Group from January 1 to March 31.

No impairment losses were recognized or reversed from January 1 to March 31 in 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-50 Years
Mechanical and electrical power equipment	5 Years
Engineering systems	2-5 Years
Machinery and equipment	2-10 Years
Transportation equipment	5 Years
Furniture and fixtures	2-5 Years
Miscellaneous equipment	2-15 Years
Leasehold improvement	3-5 Years

All of the Group's property, plant and equipment were not pledged as collateral.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Land	\$ 994,515	\$ 996,995	\$ 1,026,566
Buildings	<u>1,169</u>	<u>2,337</u>	<u>13,253</u>
	<u>\$ 995,684</u>	<u>\$ 999,332</u>	<u>\$ 1,039,819</u>
	January 1 to March 31, 2023	January 1 to March 31, 2022	
Depreciation charge for right-of-use assets			
Land	\$ 6,590	\$ 6,468	
Buildings	<u>1,169</u>	<u>2,475</u>	
	<u>\$ 7,759</u>	<u>\$ 8,943</u>	
Income from the subleasing of right-of-use assets (recognized as operating revenue)	<u>\$ -</u>	<u>\$ 567</u>	

Except for the above-recognized and additional depreciation expense, there was no significant sublease and impairment of the right-of-use assets of the Group from January 1 to March 31 in 2023 and 2022, respectively.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Current	<u>\$ 4,761</u>	<u>\$ 5,923</u>	<u>\$ 13,192</u>
Non-current	<u>\$ 126,522</u>	<u>\$ 126,297</u>	<u>\$ 124,601</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	0.71%~0.95%	0.71%~0.95%	0.71%
Buildings	0.71%~0.95%	0.71%~0.95%	0.71%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of plants and office spaces with lease terms of 3 to 50 years. The lease contract for land located in Taiwan specifies that lease payments will be adjusted every year on the basis of changes in the announced land value prices. The lease contract for land located in China specifies that lease payments will be adjusted every year based on the lease contract. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent.

d. Sublease

The Group subleases its right-of-use assets for office spaces in Taipei under operating leases with a lease term of 1 year to associate Yue-Kang Health Control Technology Inc.

The maturity analysis of lease payments receivable was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ -	\$ -	\$ 800

e. Other lease information

	January 1 to March 31, 2023	January 1 to March 31, 2022
Expenses relating to short-term leases	\$ 1,157	\$ 836
Expenses relating to low-value asset leases	\$ 290	\$ 148
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 4,326	\$ 5,390
Total cash outflow for leases	\$ 7,112	\$ 14,184

The Group leases certain assets which qualify as short-term leases and certain assets which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1 and March 31, 2022	\$ 203,363	\$ 155,287	\$ 358,650
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,085	\$ 137,085
Depreciation expense	-	1,447	1,447
Balance at March 31, 2022	\$ -	\$ 138,532	\$ 138,532
Net amount as of March 31, 2022	\$ 203,363	\$ 16,755	\$ 220,118
<u>Cost</u>			
Balance at January 1, 2023	\$ 915,529	\$ 181,461	\$ 1,096,990
Additions	-	97	97
Balance at March 31, 2023	\$ 915,529	\$ 181,558	\$ 1,097,087
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 143,714	\$ 143,714
Depreciation expense	-	1,593	1,593
Balance at March 31, 2023	\$ -	\$ 145,307	\$ 145,307
Net amount as of January 1, 2023	\$ 915,529	\$ 37,747	\$ 953,276
Net amount as of March 31, 2023	\$ 915,529	\$ 36,251	\$ 951,780

Depreciation of investment properties is calculated using the straight-line method over their estimated useful lives as follows:

Main buildings	20-35 Years
Elevators	15 Years
Heat dissipation system	5 Years

The COVID-19 pandemic severely affected the market and economy in 2021, the Group thus agreed with no conditions to defer the rental collection for the period between June 5, 2021 and December 5, 2021 to the period between December 5, 2021 and June 5, 2022.

The fair values of the Group's investment properties as of December 31, 2022 and 2021 were NT\$1,625,279 thousand and NT\$768,833 thousand respectively. Assessed by the management of the Group, there was no significant change in the fair value of the investment properties as of March 31, 2023 and 2022, as compared to December 31, 2022 and 2021, respectively.

All of the Group's investment properties were not pledged as collateral.

The investment properties are leased for a period between February 2017 and August 2027. The lessees agree to extend lease contracts with the rental adjusted based on market conditions. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the leasing periods.

The lease payment receivables for investment properties under an operating lease are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 28,994	\$ 28,994	\$ 18,190
Year 2	29,234	29,174	19,320
Year 3	25,328	27,266	19,560
Year 4	20,755	21,480	19,560
Year 5	1,217	5,862	18,835
More than 5 years	-	-	500
	<u>\$ 105,528</u>	<u>\$ 112,776</u>	<u>\$ 95,965</u>

18. INTANGIBLE ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Computer software	\$ 8,428	\$ 10,052	\$ 27,906
Technical skill	10,019	12,655	20,564
	<u>\$ 18,447</u>	<u>\$ 22,707</u>	<u>\$ 48,470</u>

Except for the recognition of amortization expenses, there was no significant increase, disposal or impairment of the intangible assets of the Group from January 1 to March 31 in 2023 and 2022, respectively. The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 Years
Emission rights	5 Years

19. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Office supplies	\$ 111,832	\$ 139,116	\$ 164,128
Prepaid expenses	81,950	88,496	125,473
Net input VAT	60,999	68,507	67,132
Others	95,589	13,266	2,055
	<u>\$ 350,370</u>	<u>\$ 309,385</u>	<u>\$ 358,788</u>
<u>Non-current</u>			
Prepaid equipment	\$ 181,794	\$ 99,896	\$ 40,649
Others	319	2,685	841
	<u>\$ 182,113</u>	<u>\$ 102,581</u>	<u>\$ 41,490</u>

20. SHORT-TERM BORROWINGS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Unsecured bank loans	\$42,726,000	\$43,696,000	\$71,022,726
<u>Secured borrowings (Note 32)</u>			
Secured bank loans	<u>21,650,000</u>	<u>13,000,000</u>	<u>-</u>
	<u>\$64,376,000</u>	<u>\$56,696,000</u>	<u>\$71,022,726</u>

The range of interest rates for short-term borrowings was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loans	1.72%~1.83%	1.30%~1.98%	0.60%~0.89%
Secured bank loans	1.40%~1.72%	1.30%~1.56%	-

21. TRADE PAYABLES

Trade payables resulted from operating activities.

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

22. OTHER LIABILITIES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Other payables			
Payables for employees' compensation	\$ 1,871,959	\$ 2,067,335	\$ 2,484,273
Payables for salaries and bonuses	624,436	957,089	826,721
Payables for technical service fees	1,509,857	1,514,632	1,220,462
Payables for office supplies	87,468	131,403	158,546
Payables for unused annual leave	125,691	126,278	127,412
Payables for utilities	61,590	61,780	65,508
Payables for taxes	64,177	63,620	77,511
Payables for purchases of equipment	114,260	59,628	94,253
Payables for meals	24,909	32,252	23,340
Payables for maintenance	36,973	31,899	42,878
Payables for shipping and warehousing expenses	26,012	36,335	29,057
Payables for professional service fees	17,445	15,705	18,476
Payables for interest	21,828	23,099	11,863
Others	<u>469,642</u>	<u>565,540</u>	<u>332,810</u>
	<u>\$ 5,056,247</u>	<u>\$ 5,686,595</u>	<u>\$ 5,513,110</u>
Other liabilities			
Advance payment	\$ 792,790	\$ 808,763	\$ 770,975
Guarantee deposits received	22,219	21,920	14,764
Payables for value-added tax	59,797	6,247	24,286
Others	<u>18,852</u>	<u>19,754</u>	<u>16,019</u>
	<u>\$ 893,658</u>	<u>\$ 856,684</u>	<u>\$ 826,044</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits received	<u>\$ 10,036</u>	<u>\$ 10,036</u>	<u>\$ 8,935</u>

23. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined benefit plan recognized from January 1 to March 31 in 2023 and 2022 are calculated based on the pension cost rate actuarially determined on December 31, 2022, and 2021, and the amount is NT\$537 thousand and NT\$562 thousand, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Authorized capital	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>714,467</u>	<u>714,467</u>	<u>729,753</u>
Shares issued	<u>\$ 7,144,671</u>	<u>\$ 7,144,671</u>	<u>\$ 7,297,531</u>

Fully paid ordinary shares with a par value of NT\$10 carry one vote per share and carry a right to dividends.

On February 24, 2022, the Board of Directors approved a capital reduction to cancel the Company's 31,865 thousand treasury shares, and the record date was February 28, 2022. The Company's paid-in capital was \$7,297,531 thousand after the capital reduction.

On August 8, 2022, the Board of Directors approved a capital reduction to cancel the Company's 15,286 thousand treasury shares, and the record date was August 12, 2022. The Company's paid-in capital was \$7,144,671 thousand after the capital reduction.

A total of 23,000 thousand shares of the Company's authorized shares were reserved for the issuance of employee stock options.

2) Global depositary receipts

In June 2011, the Company increased its capital through a cash infusion by participating in the issuance of 6,700 thousand units of Global Depositary Receipts (GDRs), with each unit representing 5 ordinary shares of the Company, resulting in a total of 33,500 thousand ordinary shares issued.

According to the regulations of the competent authority, the holder of depositary receipts may request to be redeemed and circulated in the domestic securities exchange market, and foreign investors may request to reissue depositary receipts within the scope of the original issuance amount. As of March 31, 2023, December 31, 2022 and March 31, 2022, the outstanding GDRs were 21 thousand, 21 thousand and 311 thousand units respectively, equivalent to approximately 106 thousand, 107 thousand and 1,556 thousand common shares respectively.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
<u>May be used to offset deficits, distributed as cash dividends, or transferred to share capital (Note)</u>			
Additional paid-in capital	\$ 6,918,728	\$ 6,918,728	\$ 7,066,754
Conversion premium	11,847,671	11,847,671	12,101,150
<u>May only be used to offset deficits</u>			
Donations from shareholders	6,137	5,135	5,136
	<u>\$18,772,536</u>	<u>\$18,771,534</u>	<u>\$19,173,040</u>

Note: The capital surplus may be used to offset deficits, or may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and executed once a year) when the Company has no deficits.

c. Retained earnings and dividends policy

In accordance with the profit distribution policy as set forth in the Company's Articles of Incorporation, profit distribution or offsetting of deficits shall be made at the end of every six months of a fiscal year. When the Company makes profits in the first half of a fiscal year, the profits shall be appropriated in the following ways:

- 1) To pay taxes,
- 2) To offset cumulative deficits,
- 3) To estimate compensation of employees and remuneration of directors,
- 4) To set aside 10% of the profits as legal reserve, unless the cumulative legal reserve equals the Company's paid-in capital,
- 5) To set aside or reverse special reserve in accordance with the pertinent laws or operational needs, and
- 6) The Company's Board of Directors shall propose a plan to distribute any remaining profits together with cumulative retained earnings and retained earnings for the current period. For distribution in new shares, the proposal shall be approved at a shareholders' meeting. For distribution in cash, it shall be approved at the Board meeting.

When the Company makes profits in a fiscal year, the profits shall be appropriated in the following ways:

- 1) To pay taxes,
- 2) To offset cumulative deficits,
- 3) To set aside 10% of the profits as legal reserve, unless the cumulative legal reserve equals the Company's paid-in capital,
- 4) To set aside or reverse special reserve in accordance with the pertinent laws or operational needs, and
- 5) The Company's Board of Directors shall propose a plan to distribute any remaining profits together with cumulative retained earnings and retained earnings for the current period. For distribution in new shares, the proposal

shall be approved at shareholders' meeting.

The Company is still in the growing stage and continues to expand its operations with due consideration of the viability of the economic situation. The Board of Directors shall focus on growing dividends in a stable manner when proposing the earnings distribution plan. However, cash dividends shall not be less than 10% of total dividends, and stock dividends shall be distributed if the cash dividends per share is less than NT\$0.5.

For the policies on the distribution of the compensation of employees and remuneration of directors, please refer to "Compensation of employees and remuneration of directors" in Note 26 (h).

The legal reserve may be used to offset deficits. Where there is no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021 were as follows:

	2022	2021
Legal reserve	\$ 523,797	\$ 857,386
Special reserve	(\$ 14,716,983)	\$ 2,567,156
Cash dividends	\$ 6,803,641	\$ 7,297,531
Cash dividends per share (NT\$)	\$ 10	\$ 10

The Company's Board of Directors resolved on April 18, 2023 and April 6, 2022, respectively, to distribute cash dividends; the distribution of other retained earnings for 2021 has been resolved at the shareholders' meeting on May 27, 2022. The distribution of other retained earnings for 2022 is pending resolution at the shareholders' meeting on May 30, 2023.

d. Other equity

- 1) Exchange differences on translating the financial statements of foreign operations

	January 1 to March 31, 2023	January 1 to March 31, 2022
Opening balance	(\$ 2,001,758)	(\$ 16,859,133)
Exchange differences on translating the financial statements of foreign operations	(863,512)	5,409,484
Ending balance	(\$ 2,865,270)	(\$ 11,449,649)

- 2) Unrealized valuation gain (loss) on financial assets classified as FVTOCI

	January 1 to March 31, 2023	January 1 to March 31, 2022
Opening balance	(\$ 242,726)	(\$ 102,333)
Unrealized gain (loss)		
Equity instruments	126,290	(81,964)
Debt instruments	1,277,953	(159,252)
Reclassification adjustment		
Disposal of debt instruments	-	35,269
Ending balance	\$ 1,161,517	(\$ 308,280)

e. Non-controlling interests

	January 1 to March 31, 2023	January 1 to March 31, 2022
Opening balance	\$ 11,043	\$ 49,589
Current-period net profit (loss)	100	(6,061)
Other comprehensive income in the current period		
Exchange differences on translating the financial statements of foreign operations	(93)	3,812
Distribution of earnings from subsidiaries	-	(37,157)
Ending balance	<u>\$ 11,050</u>	<u>\$ 10,183</u>

f. Treasury shares

<u>Purpose of Buy-back</u>	<u>Shares Cancelled (In Thousands of Shares)</u>
Number of shares at January 1, 2022	21,567
Increase in current period	10,298
Decrease in current period	<u>31,865</u>
Number of shares at March 31, 2022	<u>-</u>
Number of shares at January 1, 2023	-
Increase in current period	<u>34,103</u>
Number of shares at March 31, 2023	<u>34,103</u>

To maintain the Company's credit and shareholders' equity, on December 8, 2021, the Company's Board of Directors resolved to buy back 25,000 thousand shares from December 9, 2021 to February 8, 2022 at a price ranging from NT\$106.80 per share to NT\$238.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, a total of 16,332 thousand shares were repurchased at a total cost of NT\$2,560,844 thousand.

To maintain the Company's credit and shareholders' equity, on January 31, 2023, the Company's Board of Directors resolved to buy back 36,000 thousand shares from February 1, 2023 to March 31, 2023 at a price ranging from NT\$124.60 per share to NT\$262.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, the Company bought back 34,103 thousand shares at a total cost of NT\$6,366,835 thousand.

On February 24, 2022, the Board of Directors approved a capital reduction to cancel the Company's 31,865 thousand treasury share and fixed the record date as February 28, 2022.

In accordance with the Securities and Exchange Act, treasury shares shall not exceed 10% of the Company's issued and outstanding shares, and the total amount of treasury shares shall not exceed total retained earnings plus additional paid-in capital and realized capital reserve.

In accordance with the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

25. REVENUE

	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 3,531,269	\$ 7,216,339
Rental income	6,665	4,491
Revenue from the rendering of services	<u>3,810</u>	<u>-</u>
	<u>\$ 3,541,744</u>	<u>\$ 7,220,830</u>

a. Contract information

The Group sells metal casing to customers. All goods are sold at respective fixed amounts as agreed in the contracts.

b. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Trade receivables				
Gross carrying amount	\$ 4,317,203	\$ 9,573,233	\$ 7,772,692	\$ 9,722,596
Less: Allowance for impairment loss	(<u>8,438</u>)	(<u>8,438</u>)	(<u>58,282</u>)	(<u>57,183</u>)
	<u>\$ 4,308,765</u>	<u>\$ 9,564,795</u>	<u>\$ 7,714,410</u>	<u>\$ 9,665,413</u>
Contract liabilities - current				
Sale of goods	<u>\$ 6,129</u>	<u>\$ 42,803</u>	<u>\$ 6,333</u>	<u>\$ 32,742</u>

26. NET PROFIT

a. Interest income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Bank deposits	\$ 1,993,944	\$ 190,668
Investments in debt instruments at FVTOCI	155,483	46,498
Repurchase agreements	<u>76</u>	<u>1,730</u>
	<u>\$ 2,149,503</u>	<u>\$ 238,896</u>

b. Other income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Government grants	\$ 1,840	\$ 2,563
Recycling income	21,147	6,247
Dividend income	-	24,951
Other income	998	2,028
	<u>\$ 23,985</u>	<u>\$ 35,789</u>

c. Other gains and losses

	January 1 to March 31, 2023	January 1 to March 31, 2022
Gain (loss) on financial assets at FVTPL	\$ 4,576	(\$ 291,066)
Loss from liquidation of subsidiaries	-	(9,883)
Loss from disposal of investment in debt instruments at FVTOCI	-	(35,269)
Others	56,480	20,056
	<u>\$ 61,056</u>	<u>(\$ 316,162)</u>

d. Interest expense

	January 1 to March 31, 2023	January 1 to March 31, 2022
Interest on bank loans	\$ 238,589	\$ 129,886
Interest on lease liabilities	234	246
	<u>\$ 238,823</u>	<u>\$ 130,132</u>

e. Depreciation and amortization

	January 1 to March 31, 2023	January 1 to March 31, 2022
Depreciation by function		
Operating costs	\$ 649,372	\$ 814,208
Operating expenses	90,606	104,047
	<u>\$ 739,978</u>	<u>\$ 918,255</u>
Amortization by function		
Operating costs	\$ 343	\$ 4,392
Operating expenses	5,505	8,760
	<u>\$ 5,848</u>	<u>\$ 13,152</u>

f. Operating expenses directly related to investment properties

	January 1 to March 31, 2023	January 1 to March 31, 2022
Direct operating expenses from investment properties generating rental income	\$ 2,349	\$ 1,995

g. Employee benefits

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short-term employee benefits	\$ 1,567,822	\$ 2,100,049
Retirement benefits		
Defined contribution plan	115,395	131,968
Defined benefit plan (Note 23)	<u>537</u>	<u>562</u>
	<u>115,932</u>	<u>132,530</u>
	<u>\$ 1,683,754</u>	<u>\$ 2,232,579</u>
By function		
Operating costs	\$ 1,222,147	\$ 1,636,509
Operating expenses	<u>461,607</u>	<u>596,070</u>
	<u>\$ 1,683,754</u>	<u>\$ 2,232,579</u>

h. Compensation of employees and remuneration of directors

The Company allocates the compensation of employees and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax and before allocating the compensation of employees and remuneration of directors. Estimated compensation of employees and remuneration of directors from January 1 to March 31, 2023 and 2022 are as follows:

Accrual rate

	January 1 to March 31, 2023	January 1 to March 31, 2022
Compensation of employees	1.54%	1.21%
Remuneration of directors	0.49%	0.14%

Amount

	January 1 to March 31, 2023	January 1 to March 31, 2022
Compensation of employees	\$ 14,400	\$ 36,055
Remuneration of directors	4,550	4,250

If there are changes in the amounts after the annual consolidated financial statements are authorized for issue, the differences will be recorded as a change in the accounting estimate for the next year.

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's Board of Directors on February 23, 2023 and February 24, 2022, respectively, were as follows:

	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 155,823	\$ -	\$ 521,976	\$ -
Remuneration of directors	\$ 18,200	-	\$ 16,400	-

There was no difference between the actual amount of compensation of employees and remuneration of directors paid and the amount recognized in the consolidated financial statements for the years ended December 31, 2022 and

2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Foreign exchange gains (losses), net

	January 1 to March 31, 2023	January 1 to March 31, 2022
Foreign exchange gains	\$ 1,083,929	\$ 2,493,443
Foreign exchange losses	(1,933,141)	(291,941)
Net income (loss)	<u>(\$ 849,212)</u>	<u>\$ 2,201,502</u>

27. TAXATION

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Current tax		
Tax recognized in the current year	\$ 39,619	\$ 576,885
Deferred tax		
Tax recognized in the current year	<u>243,980</u>	<u>416,685</u>
	<u>\$ 283,599</u>	<u>\$ 993,570</u>

The applicable corporate income tax rate used by the Group is 20%; the tax rate applicable to the subsidiaries in China is 25%; the tax amount incurred in other jurisdictions is calculated based on the applicable tax rate of each relevant jurisdiction.

b. Income tax assessment

The corporate income taxes declared by the Company and its subsidiaries Yi Sheng and Yi De till the end of 2021, as well as the corporate income taxes declared by the Company and its subsidiary Ke Yue till the end of 2020 have been approved by the tax collection authority.

28. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit

	January 1 to March 31, 2023	January 1 to March 31, 2022
Profit for the year attributable to owners of the Company	<u>\$ 883,780</u>	<u>\$ 2,057,118</u>

Number of Shares

In thousand shares

	January 1 to March 31, 2023	January 1 to March 31, 2022
Weighted average number of ordinary shares in computation of basic earnings per share	705,168	732,153
Potential dilution of ordinary shares:		
Compensation of employees	<u>570</u>	<u>2,362</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>705,738</u>	<u>734,515</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group may assume that the compensation will be settled in shares and include the potentially dilutive ordinary shares in the weighted average number of shares outstanding when computing the diluted earnings per share. When computing the diluted earnings per share before determining the compensation paid to employees in shares in the following year, the Group shall continuously take into consideration the potential dilution of the ordinary shares.

29. CAPITAL MANAGEMENT

The Group requires significant amount of capital to build and expand its manufacturing facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital in need, capital asset purchase, research and development activities, debt service requirements, dividend distribution and other business requirements associated with its existing operations over the next 12 months.

30. FINANCIAL INSTRUMENTS**a. Financial instruments not measured at fair value**

The carrying amounts of financial instruments not measured at fair value were recognized to reasonably approximate their fair value; these financial instruments include cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable, other payables, and guarantee deposits received.

b. Financial instruments measured at fair value on a recurring basis**1) Fair value hierarchy**March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	\$ 195,940	\$ -	\$ -	\$ 195,940
Private equity funds	-	-	1,042,253	1,042,253
Limited partnerships	-	-	247,491	247,491
	<u>\$ 195,940</u>	<u>\$ -</u>	<u>\$ 1,289,744</u>	<u>\$ 1,485,684</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 561,515	\$ -	\$ -	\$ 561,515
Stock not listed on the	-	-	57,030	57,030

exchange, OTC, or emerging stock market				
Foreign listed stocks	45,262	-	-	45,262
Limited partnerships	-	-	1,538,186	1,538,186
Investments in debt instruments				
Bonds	-	39,981,622	-	39,981,622
	<u>\$ 606,777</u>	<u>\$39,981,622</u>	<u>\$ 1,595,216</u>	<u>\$42,183,615</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 189,736	\$ -	\$ -	\$ 189,736
Private equity funds	-	-	1,026,794	1,026,794
Private equity securities	-	-	22,309	22,309
Limited partnerships	-	-	249,141	249,141
	<u>\$ 189,736</u>	<u>\$ -</u>	<u>\$ 1,298,244</u>	<u>\$ 1,487,980</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 143,609	\$ -	\$ -	\$ 143,609
Stock not listed on the exchange, OTC, or emerging stock market	-	-	57,330	57,330
Limited partnerships	-	-	1,285,544	1,285,544
Investments in debt instruments				
Bonds	-	2,166,827	-	2,166,827
	<u>\$ 143,609</u>	<u>\$ 2,166,827</u>	<u>\$ 1,342,874</u>	<u>\$ 3,653,310</u>

March 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	\$ 2,287,694	\$ -	\$ -	\$ 2,287,694
Beneficiary certificates	2,290,833	-	-	2,290,833
Simple Agreement for Future Equity (SAFE)	-	-	77,288	77,288
Private equity funds	-	-	823,841	823,841
Private equity securities	-	-	59,553	59,553
Limited partnerships	-	-	132,947	132,947
	<u>\$ 4,578,527</u>	<u>\$ -</u>	<u>\$ 1,093,629</u>	<u>\$ 5,672,156</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 2,232,178	\$ -	\$ -	\$ 2,232,178
Stock not listed on the exchange, OTC, or emerging stock market	-	-	36,630	36,630
Limited partnerships	-	-	882,370	882,370
Investments in debt instruments				
Bonds	-	3,597,503	-	3,597,503
	<u>\$ 2,232,178</u>	<u>\$ 3,597,503</u>	<u>\$ 919,000</u>	<u>\$ 6,748,681</u>

There were no transfers between Level 1 and Level 2 fair value measurements during 2023 and the period from January 1 to March 31, 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

January 1 to March 31, 2023

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity Instruments	Equity Instruments	Total
Financial assets			
Opening balance	\$ 1,298,244	\$ 1,342,874	\$ 2,641,118
Purchases	35,940	167,949	203,889
Recognized in profit or loss (included in other gains and losses)	9,618	-	9,618
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	94,801	94,801
Disposals	(45,180)	-	(45,180)
Effects of foreign currency exchange differences	(8,878)	(10,408)	(19,286)
Ending balance	<u>\$ 1,289,744</u>	<u>\$ 1,595,216</u>	<u>\$ 2,884,960</u>

January 1 to March 31, 2022

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity Instruments	Equity Instruments	Total
Financial assets			
Opening balance	\$ 958,795	\$ 859,146	\$ 1,817,941
Purchases	122,264	-	122,264
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	31,068	31,068
Effects of foreign currency exchange differences	<u>12,570</u>	<u>28,786</u>	<u>41,356</u>
Ending balance	<u>\$ 1,093,629</u>	<u>\$ 919,000</u>	<u>\$ 2,012,629</u>

3) Valuation techniques and assumptions applied for Level 2 fair value measurement.

Overseas government bonds are measured using the quoted market prices provided by the third party.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted domestic equity securities, limited partnerships, private equity securities and SAFE investments was estimated using the market approach or based on the recent net worth of the target assets. When adopting the market approach, the selling prices of comparable companies were used to compare, analyze, adjust and derive the fair value of the target assets. The fair value of private equity funds was estimated using the asset approach.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets measured at FVTPL			
Mandatorily measured at FVTPL	\$ 1,485,684	\$ 1,487,980	\$ 5,672,156
Financial assets measured at amortized cost (Note 1)	173,427,059	210,629,685	205,212,674
Financial assets at FVTOCI			
Investments in equity instruments	2,201,993	1,486,483	3,151,178
Investments in debt instruments	39,981,622	2,166,827	3,597,503
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	71,200,899	65,135,010	79,437,669

Note 1: The balance includes financial assets measured at amortized cost including cash and cash equivalents, accounts receivable, other receivables and deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, accounts payables, other payables, and guarantee deposits received.

d. Objectives and policies of financial risk management

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, and lease liabilities. The Group's Investment and Finance Departments serves various business units, coordinates access to domestic and international financial markets, as well as monitors and manages the financial risks relating to operations based on the internal risk reports analyzing exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group undertakes material financial activities approved by the Board of Directors in accordance with relevant laws and regulations and internal controls. Internal auditors continuously review the policy compliance and limit of risk exposure. The Group does not trade financial instruments, including financial derivative instruments, for speculative purposes.

1) Market risk

The Group's operational activities are exposed primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Engaging in foreign currency-denominated sales and purchases, the Group is exposed to foreign currency risk.

Refer to Note 34 for the carrying amounts of the Group's non-functional currency-denominated monetary assets and monetary liabilities (including the non-functional currency-denominated monetary items eliminated on consolidation) at the end of the reporting period.

Sensitivity analysis

The Group was mainly exposed to the US dollars (USD) and the renminbi (RMB).

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (NTD, the functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items. A positive number below indicates an increase in profit before income tax that would result from the depreciation of the NTD by 1% against the relevant foreign currencies. When the NTD appreciates by 1% against the relevant foreign currencies, there would be an equal and opposite impact on profit before income tax, with the balances below turning to negative.

	USD Impact	
	January 1 to March 31, 2023	January 1 to March 31, 2022
Income (loss)	\$ 833,933	\$ 743,972
	RMB Impact	
	January 1 to March 31, 2023	January 1 to March 31, 2022
Income (loss)	(\$ 357)	(\$ 399)

The aforementioned foreign currency-denominated monetary assets or liabilities are mainly the Group's outstanding exposure to USD-denominated and RMB-denominated cash and cash equivalents, financial assets at amortized cost, as well as receivables and payables, without cash flow hedge, at the end of the reporting period.

The increase and decrease in the sensitivity of the Group to the exchange rates of USD and RMB during the current period were primarily due to the increase and decrease in the net assets denominated in USD and RMB. However, the management acknowledges that the sensitivity analysis does not fully capture the inherent exchange rate risk, as the foreign currency exposure at the reporting date may not reflect the mid-term risk exposure.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The Group manages the interest rate risk by maintaining an appropriate mix of assets and liabilities at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and liabilities with exposure to interest rates at the end of balance sheet date were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Interest rate risk with fair value			
Financial assets	\$196,202,792	\$191,588,559	\$187,214,935
Financial liabilities	131,283	132,220	137,793
Interest rate risk with cash flow			
Financial assets	11,127,663	10,794,953	9,981,653
Financial liabilities	64,376,000	56,696,000	71,022,726

Sensitivity analysis

The sensitivity analysis below was conducted based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. Analysis for the liabilities with floating interest rates was conducted assuming that the amount of the outstanding liabilities at the end of balance sheet date was outstanding for the reporting period.

If interest rates move 10 basis points higher/lower with all other variables held constant, the Group's profit before tax for the period from January 1 to March 31 in 2023 and 2022 would decrease/increase by NT\$13,312 thousand and NT\$15,260 thousand, respectively. The change would have been mainly attributable to the Group's exposure to interest rate risk associated with the cash flow from its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group manages the equity price risks by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below was conducted based on the exposure to equity price risks at the end of balance sheet date.

If the equity price increases/decreases by 1%, the Group's profit before tax for the period from January 1 to March 31 in 2023 and 2022 would increase/decrease by NT\$1,959 thousand and NT\$45,785 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit and loss (FVTPL), and its other comprehensive profit and loss before tax for the period from January 1 to March 31 in 2023 and 2022 will increase/decrease by NT\$5,615 thousand and NT\$22,322 thousand, respectively, due to the increase/decrease in the fair value of financial

assets measured at fair value through other comprehensive income (FVTOCI).

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of balance sheet date, the Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to the failure of a counterparty to discharge an obligation, could at most amount to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The counterparties to the foregoing financial instruments are reputable business organizations. Management does not expect the Group's exposure to default by those parties to be material; ongoing credit evaluation has been performed on the financial conditions of customers with whom the Group has account receivables.

Information on receivables with significantly concentrated credit risk was as follows:

	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	%	Amount	%	Amount	%
Customer A	\$ 1,323,432	31	\$ 4,126,487	43	\$ 1,977,932	26
Customer B	445,772	10	2,324,628	24	1,808,811	23
Customer C	1,207,811	28	1,397,179	15	1,544,143	20
Customer D	517,685	12	573,473	6	1,100,955	14

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the impact of fluctuations in cash flows. Management monitors the utilization of bank facility and ensures to comply with the terms of covenants.

The Group's operating funds and bank facility are deemed sufficient for future operations; therefore, there is no liquidity risk where the Group is unable to raise funds to fulfill its contractual obligations.

a) Liquidity and interest rate risks for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was created based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group would be required to pay. The table includes both principal and interest cash flows. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity analysis for other non-derivative financial liabilities was derived based on the agreed repayment dates.

Where interest flows are paid at floating rates, the undiscounted interest was derived based on the yield curve at the end of the reporting period.

March 31, 2023

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 5,961,696	\$ 853,167	\$ 10,036	\$ -
Lease liabilities	5,657	-	17,942	120,700
Variable interest rate instruments	55,576,000	8,893,531	-	-
	<u>\$ 61,543,353</u>	<u>\$ 9,746,698</u>	<u>\$ 27,978</u>	<u>\$ 120,700</u>

Maturity analysis of the above financial liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
Lease liabilities	<u>\$ 5,657</u>	<u>\$ 17,942</u>	<u>\$ 22,428</u>	<u>\$ 22,428</u>	<u>\$ 44,445</u>	<u>\$ 31,399</u>

December 31, 2022

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 7,084,223	\$ 1,344,751	\$ 10,036	\$ -
Lease liabilities	1,171	5,657	17,942	120,700
Variable interest rate instruments	-	57,258,584	-	-
	<u>\$ 7,085,394</u>	<u>\$58,608,992</u>	<u>\$ 27,978</u>	<u>\$ 120,700</u>

Maturity analysis of the above lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
Lease liabilities	<u>\$ 6,828</u>	<u>\$ 17,942</u>	<u>\$ 22,428</u>	<u>\$ 22,428</u>	<u>\$ 44,445</u>	<u>\$ 31,399</u>

March 31, 2022

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 7,073,034	\$ 1,332,397	\$ 8,935	\$ -
Lease liabilities	6,620	7,486	19,878	116,897
Variable interest rate instruments	13,604,479	57,678,288	-	-
	<u>\$ 20,684,133</u>	<u>\$ 59,018,171</u>	<u>\$ 28,813</u>	<u>\$ 116,897</u>

Maturity analysis of the above financial liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
Lease liabilities	<u>\$ 14,106</u>	<u>\$ 19,878</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 46,769</u>	<u>\$ 28,876</u>

The amounts for variable interest rate instruments for both non-derivative financial assets and liabilities could change if variable interest rates differ from the interest rates estimated at the end of the reporting period.

b) Bank facilities

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank facilities			
Amount used	\$ 42,829,499	\$ 43,800,362	\$ 71,590,137
Amount unused	<u>65,137,099</u>	<u>60,590,377</u>	<u>28,171,294</u>
	<u>\$107,966,598</u>	<u>\$104,390,739</u>	<u>\$ 99,761,431</u>
Secured bank facilities			
Amount used	\$ 21,650,000	\$ 13,000,000	\$ -
Amount unused	<u>2,350,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,000,000</u>	<u>\$ 13,000,000</u>	<u>\$ -</u>

31. TRANSACTIONS WITH RELATED PARTIES

Transactions, account balance, income and expense, as well as gains and losses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation without being disclosed in this note. Unless otherwise disclosed in other notes, details of transactions between the Group and its related parties are as follows:

Compensation of key management personnel

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short-term employee benefits	\$ 53,468	\$ 52,067
Retirement benefits	<u>10,782</u>	<u>7,324</u>
	<u>\$ 64,250</u>	<u>\$ 59,391</u>

The remuneration of directors and key management personnel are determined by the remuneration committee with due regard to industry practice, the performance of individuals and the Group, and reasonableness associated with future risks.

32. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Restricted bank deposits (financial assets measured at amortized cost - current)	<u>\$24,502,400</u>	<u>\$14,687,274</u>	<u>\$ -</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingent liabilities of the Group as of the balance sheet date were as follows:

Unrecognized contractual commitments of the Group are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Acquisition of property, plant and equipment	\$ 585,501	\$ 832,408	\$ 133,519
Acquisition of inventories	\$ 23,443	\$ 35,725	\$ 123,767

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is aggregated and presented in the foreign currencies other than the functional currencies adopted by the entities in the Group. The exchange rates disclosed are the rates used to convert the aforementioned foreign currencies into the respective functional currencies. The information on significant assets and liabilities denominated in foreign currencies is as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

March 31, 2023

<u>Financial Assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 2,164,876	30.40 (USD:NTD)	\$ 65,812,228
USD	631,664	6.8717 (USD:RMB)	18,639,864
RMB	95	4.406 (RMB:NTD)	419
RMB	10	0.1455 (RMB:NTD)	42
<u>Financial Liabilities</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 12,500	30.50 (USD:NTD)	\$ 381,245
USD	22,961	6.8717 (USD:RMB)	677,566
RMB	8,109	4.456 (RMB:NTD)	36,133
JPY	162,800	0.222 (JPY:NTD)	36,137

December 31, 2022

<u>Financial Assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 2,118,093	30.66 (USD:NTD)	\$ 64,940,720
USD	691,235	6.9646 (USD:RMB)	20,673,525
RMB	4	4.383 (RMB:NTD)	17
RMB	10	0.1436 (RMB:USD)	42
 <u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	13,258	30.76 (USD:NTD)	407,801
USD	37,608	6.9646 (USD:RMB)	1,124,781
RMB	11,482	4.4330 (RMB:NTD)	50,898

March 31, 2022

<u>Financial Assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 2,128,496	28.57 (USD:NTD)	\$ 60,821,778
USD	566,031	6.3482 (USD:RMB)	15,430,616
RMB	2,165	4.4810 (RMB:NTD)	9,701
 <u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	\$ 24,713	28.675 (USD:NTD)	\$ 708,646
USD	42,059	6.3482 (USD:RMB)	1,146,574
RMB	10,952	4.5310 (RMB:NTD)	49,624
JPY	64,350	0.2373 (JPY:NTD)	15,270

The Group is mainly exposed to the USD. The information as follows is an aggregation of the functional currencies adopted by the entities in the Group, and the exchange rates disclosed are the rates used to convert the respective functional currencies into the presentation currency. The significant foreign exchange gains (losses) (realized and unrealized) were as follows:

Foreign Currency	January 1 to March 31, 2023		January 1 to March 31, 2022	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.395 (USD:NTD)	\$ 97	27.994 (USD:NTD)	\$ 19,724
NTD	1 (NTD:NTD)	(565,001)	1 (NTD:NTD)	2,239,016
RMB	4.4425 (RMB:NTD)	(284,308)	4.4082 (RMB:NTD)	(57,238)
		(\$ 849,212)		\$ 2,201,502

35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions
 - 1) Loaning of funds to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held at period-end (excluding investments in subsidiaries and associates) (Table 3)
 - 4) Marketable securities acquired or disposed of at cumulative amount of at least NT\$300 million or 20% of the Company's paid-in capital (N/A)
 - 5) Acquisitions of individual real estate at a cost of at least NT\$300 million or 20% of the Company's paid-in capital (Table 4)
 - 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the Company's paid-in capital (N/A)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the Company's paid-in capital (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the Company's paid-in capital (Table 6)
 - 9) Trading of derivative instruments (N/A)
 - 10) Others: Intercompany relationships and significant intercompany transactions (Table 9)
- b. Information on investees (Table 7)
- c. Information on investments in Mainland China
 - 1) Information on any investee companies in Mainland China, including the names, principal operational activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, net income or loss for the current period, investment income or loss recognized, carrying amount of investment at the end of the reporting period, repatriations of investment income or loss, and limitation of investment in the Mainland China area (Table 8)
 - 2) Prices, payment terms, and unrealized gains or losses of the following significant transactions with investee companies in Mainland China, directly or indirectly through a third party (Tables 2, 5, 6 and 9)
 - a) Purchases - the amount and percentage of purchases as well as the balance and percentage of the related payables at the end of the period
 - b) Sales - the amount and percentage of sales as well as the balance and percentage of the related receivables at the end of the period

- c) Property transactions - the amount of transactions and the amount of the resultant gains or losses
 - d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period as well as the underlying purposes
 - e) Financing - the highest balance during the period, the balance at the end of the period, the range of the interest rates applied, and total amount of interest charged for the current period
 - f) Others - the transactions with material effect on profit or loss for the current period or on the Company's financial status, such as rendering or reception of services
- d. Information of major shareholders: name, the number of shares owned, and percentage of ownership of each shareholder with ownership of 5% or greater. (N/A)

36. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's operating decision maker reviews operating results and financial information by product category. As each plant shares similar economic characteristics, produces similar products using similar manufacturing process and all products are distributed and sold through a unified sales approach, therefore, the Group can be regarded as a single operating department for reporting purposes. The Group's operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information regarding segment revenue, operating results, and asset measurements for the periods from January 1 to March 31, 2023 and 2022 refers to the consolidated statements of comprehensive income and the consolidated balance sheets as of March 31, 2023 and 2022.

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

LOANING OF FUNDS TO OTHERS
JANUARY 1 TO MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Limit of Loaning of Funds to Each Borrower (Note 1)	Limit of Aggregate Amount of Loans (Note 2)
													Item	Value		
1	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables from related parties	Yes	\$ 609,600	\$ -	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 804,251,235	\$ 804,251,235
2	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables from related parties	Yes	914,400	\$ -	-	-	Short-term financing	-	Operating capital	-	-	-	804,251,235	\$ 804,251,235

Note 1: In accordance with the provisions of the Regulations Governing Loaning of Funds, the aggregate amount of inter-company loaning of funds between overseas companies in which the Company holds, directly or indirectly, 100% of shares shall be limited to no more than 500% of the Company’s net worth at the end of the period. Such of loans between domestic subsidiaries shall not exceed 40% of the subsidiary’s net worth at the end of the period. For the companies which the Company has business contact with, the amount of individual loans shall not exceed the amount of the most recent annual business transactions between the two parties.

Note 2: In accordance with the provisions of the Regulations Governing Loaning of Funds, the aggregate amount of inter-company loaning of funds between overseas companies in which the Company holds, directly or indirectly, 100% of shares shall be limited to no more than 500% of the Company’s net worth at the end of the period. Such of loans between domestic subsidiaries shall not exceed 40% of the subsidiary’s net worth at the end of the period.

Note 3: The net asset value mentioned in Note 1 and 2 above refers to the equity attributable to owners of the Company on the consolidated balance sheets.

Table 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
JANUARY 1 TO MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance of Endorsement/ Guarantee	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Asset Value in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	\$ 80,425,124	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 160,850,247</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	80,425,124	8,886	<u>\$ 8,862</u>	<u>\$ 8,862</u>	<u>\$ -</u>	0.01	<u>\$ 160,850,247</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	80,425,124	22,214	<u>\$ 22,156</u>	<u>\$ 22,156</u>	<u>\$ -</u>	0.01	<u>\$ 160,850,247</u>	N	N	Y
3	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	80,425,124	16,438	<u>\$ 16,396</u>	<u>\$ 16,396</u>	<u>\$ -</u>	0.01	<u>\$ 160,850,247</u>	N	N	Y
4	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	80,425,124	23,929	<u>\$ 23,929</u>	<u>\$ 23,929</u>	<u>\$ -</u>	0.01	<u>\$ 160,850,247</u>	N	N	Y

Note 1: Endorsements/guarantees for a single enterprise by the Company and its foreign subsidiaries, either directly or indirectly owned 100% by the Company, shall be limited to no more than 50% of the Company’s net worth at the end of the period.

Note 2: The maximum amount of endorsements/guarantees by the Company and its foreign subsidiaries, either directly or indirectly owned 100% by the Company, shall be limited to no more than 100% of the Company’s net worth at the end of the period.

Note 3: The net asset value mentioned in Note 1 and 2 above refers to the equity attributable to owners of the Company on the consolidated balance sheets.

Table 3

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2023
(NTS'000 or Other Foreign Currencies in Thousands)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Issuing Company	Account	End of Period				Note
				Number of Shares	Book Value	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., Ltd.	<u>LISTED SHARES</u>							
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	\$ 195,940	6.95	\$ 195,940	
	<u>UNLISTED SHARES</u>							
Ke Yue Co., Ltd.	AlphaInfo Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	57,030	3.57	57,030	
	<u>LISTED SHARES</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	11,016	0.23	11,016	
	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	381,000	48,006	0.79	48,006	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	1,139,000	164,586	0.99	164,586	
	<u>LIMITED PARTNERSHIPS</u>							
Yi De Co., Ltd.	Taiwania Capital Buffalo Fund V, L.P.	None	Financial assets at FVTPL - non-current	-	191,497	12.78	191,497	Note 3
	MESH Cooperative Ventures Fund L.P.	None	Financial assets at FVTPL - non-current	-	55,993	7.39	55,993	Note 3
	<u>LISTED SHARES</u>							
	Excelsior Medical Co., Ltd.	None	Financial assets at FVTOCI - current	21,000	1,674	0.01	1,674	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	38,718	0.81	38,718	
	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	518,000	65,268	1.07	65,268	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	660,000	95,370	0.57	95,370	
Yi Sheng Co., Ltd.	<u>LISTED SHARES</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	5,400	0.11	5,400	
	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	204,000	25,704	0.42	25,704	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	732,000	105,774	0.64	105,774	
Nanomag International Co., Ltd.	<u>LIMITED PARTNERSHIPS</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 50,515	23.51	USD 50,515	Note 3
	<u>CORPORATE BONDS</u>							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 993		USD 993	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	1,000,000	USD 971		USD 971	
	AIRCASTLE LTD.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 979		USD 979	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 969		USD 969	
	BAT CAPITAL CORP.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,458		USD 1,458	
	BACARDI LTD.	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,591		USD 1,591	
	CANADIAN NATURAL RESOURCES LTD.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,480		USD 1,480	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,034		USD 1,034	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 965		USD 965	
	DUKE ENERGY OHIO INC.	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,050		USD 1,050	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	1,600,000	USD 1,560		USD 1,560	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 999		USD 999	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,762		USD 1,762	
	DELTA AIR LINES INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 958		USD 958	
	DELTA AIR LINES INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,042		USD 1,042	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,896		USD 1,896	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,375		USD 1,375	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,774		USD 1,774	
	EQT CORP.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 926		USD 926	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,038		USD 1,038	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,037		USD 1,037	
	EXPEDIA INC.	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,197		USD 1,197	
	EXPEDIA GROUP INC.	None	Financial assets at FVTOCI - non-current	800,000	USD 812		USD 812	

(Continued)

(Continued from previous page)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Issuing Company	Account	End of Period				Note
				Number of Shares	Book Value	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	GENERAL MOTORS FINANCIAL CO INC.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,462		USD 1,462	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 994		USD 994	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	1,000,000	USD 972		USD 972	
	HCA INC.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,491		USD 1,491	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,047		USD 1,047	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,956		USD 1,956	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,440		USD 1,440	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 541		USD 541	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,469		USD 1,469	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,348		USD 1,348	
	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 994		USD 994	
	NRG ENERGY INC.	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,650		USD 1,650	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 688		USD 688	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	810,000	USD 790		USD 790	
	PARK AEROSPACE HOLDINGS LTD.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 993		USD 993	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	SANTANDER HOLDINGS USA INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 972		USD 972	
	SCHLUMBERGER HOLDINGS CORP.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,484		USD 1,484	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,728		USD 1,728	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	1,370,000	USD 1,351		USD 1,351	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 990		USD 990	
	SUNOCO LOGISTICS PARTNERS OPERATION	None	Financial assets at FVTOCI - non-current	750,000	USD 741		USD 741	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 940		USD 940	
	VEB FINANCE PLC	None	Financial assets at FVTOCI - non-current	1,000,000	-		-	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	367,000	USD 352		USD 352	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 978		USD 978	
	VICI PROPERTIES LP/VICI NOTE CO INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 943		USD 943	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 966		USD 966	
	VMWARE INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 989		USD 989	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,480		USD 1,480	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	500,000	-		-	
	<u>GOVERNMENT BONDS</u>							
	US Treasury-30 year	None	Financial assets at FVTOCI - non-current	150,000,000	USD 159,281		USD 159,281	
	US Treasury-10 year		Financial assets at FVTOCI - non-current	1,040,000,000	USD 1,093,138		USD 1,093,138	
	<u>PRIVATE EQUITY FUND</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 17,490	2.54	USD 17,490	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 8,586	25.32	USD 8,586	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 1,992	5.21	USD 1,992	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,257	14.37	USD 1,257	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 4,904	0.38	USD 4,904	Note 3
	<u>FOREIGN LISTED STOCKS</u>							
	Navitas	None	Financial assets at FVTOCI - non-current	-	USD 1,486	13.33	USD 1,486	Note 3

Note 1: Securities in this table are shares, bonds, beneficiary certificates and those derived from the above-mentioned items which are within the scope of IFRS 9 “Financial Instrument: Recognition and Measurement”.

Note 2: Refer to Tables 7 and 8 for information on subsidiaries and associates.

Note 3: Percentage of ownership is the ratio of capital contribution.

Table 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AMOUNTING TO NT\$300 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL
JANUARY 1 TO MARCH 31, 2023
Dollars (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Acquiring Company	Property Item	Date of Event	Transaction Amount	Status of Payment	Transaction Counterparty	Relationship	Previous Transfer Information for Related Party Transactions				Basis for Price Decision	Purpose and Usage Status of Acquisition	Other Contractual Terms
							Owner	Relationship with the Issuing Company	Transfer Date	Amount			
Catcher Technology Co., Ltd.	Land and Building - Da'an District, Taipei City	January 17, 2023	\$ 466,967	Paid NT\$ 93,393 thousand, remaining NT\$ 373,574 thousand to be paid according to the purchase agreement	HSBC Global Asset Management (Taiwan) Limited	Non-related party	Not applicable	Not applicable	Not applicable	\$ -	Appraisal report	For operational needs	None

Table 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL
JANUARY 1 TO MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer (Seller)	Transaction Counterparty	Relationship	Transaction Details				Reasons for Unusual Transactions		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	(\$ 407,401)	8	Settled monthly; credit on 30-90 days	Equivalent	Equivalent	\$ 2,149,567	61	
Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	(510,527)	9	Settled monthly; credit on 30-90 days	Equivalent	Equivalent	2,123,388	60	

Table 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL.
MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Transaction Counterparty	Relationship	Ending Balance	Turnover Ratio (%)	Overdue		Amount Subsequently Recovered	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 647,927	- (Note)	\$ -	Not applicable	\$ 58,134	\$ -
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,149,567	0.65	-	Not applicable	497,868	-
Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,123,388	0.87	-	Not applicable	352,923	-
Arcadia Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	177,179	1.73	-	Not applicable	17,628	-
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Subsidiary	3,450,400	- (Note)	-	Not applicable	3,450,400	-

Note: The receivables are from processing and repatriation of profits, to which the turnover ratio calculation does not apply.

Table 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

JANUARY 1 TO MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Investment Amount at the End of Period			Net Income (Loss) of the Investee	Investment Income (Loss) (Note 1)	Note
				End of the Current Period	End of Last Year	Number of Shares	% Ownership	Book Value			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	\$ 484,941	\$ 484,941	14,377,642	100	\$ 1,939,924	\$ 22,158	\$ 22,158	Note 3
	Nanomag International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	1	1	30	100	153,712,195	988,295	1,021,609	
	Yue-Kang Health Control Technology Inc.	13F., No. 97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Health and medical treatment consultant	72,000	72,000	1,440,000	45	2,764	(11)	(5)	
	Ke Yue Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	3,000,000	3,000,000	198,390,000	100	2,932,529	16,575	16,575	
	Yi Sheng Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,073,762	9,417	9,417	
	Yi De Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,104,461	7,737	7,737	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	Manufacturing and selling medical devices	200,000	200,000	2,000,000	100	193,090	(2,364)	(2,354)	
Ke Yue Co., Ltd.	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United States	Investing activities	(USD 0)	(USD 0)	-	-	-	-	-	
	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	519,621	519,621	7,050,000	9.71	501,593	113,561		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	599,636	599,636	5,410,000	7.81	606,720	98,699		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	240,757	240,757	3,254,000	4.48	231,516	113,561		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	279,091	279,091	2,589,000	3.74	290,351	98,699		
Yi De Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	295,411	295,411	4,047,000	5.57	287,936	113,561		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	243,370	243,370	2,233,000	3.22	250,427	98,699		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,127 (USD 1,009,592)	28,127 (USD 1,009,592)	1,009,592	100	155,934	1,949		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,251,725 (USD 332,079,144)	9,251,725 (USD 332,079,144)	332,079,144	100	16,578,809	(1,303,298)		
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	31,203 (USD 1,120,000)	31,203 (USD 1,120,000)	1,050,000	75	33,149	401		
	Uranus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,116,401 (USD 399,009,383)	11,116,401 (USD 399,009,383)	399,009,383	100	18,708,045	(432,276)		
	Norma International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,345,009 (USD 299,533,691)	8,345,009 (USD 299,533,691)	299,533,691	100	13,880,113	127,945		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	279 (USD 10,000)	279 (USD 10,000)	10,000	100	402,573	15,604		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	1,536,919 (USD 55,165,797)	55,165,797	100	1,524,276	(4,599)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	- (USD 0)	278,747 (USD 10,005,259)	-	100	-	-		Note 3
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	1 (USD 30)	1 (USD 30)	30	100	20,597	233		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	- (USD 0)	39,004 (USD 1,400,000)	-	100	-	-		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United States	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-		

Note 1: Investment income (loss) only disclosed direct holding companies and the investments accounted for using the equity method.

Note 2: Refer to Table 8 for information on investment in Mainland China.

Note 3: The investees were established and registered in June 2022 but with no investment funds remitted in yet.

Table 8

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

JANUARY 1 TO MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Current Period (Note 13)	Remittance of Funds		Accumulated Investment Amount Remitted from Taiwan at the End of the Current Period (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Book Value at the End of the Period	Repatriation of Investment Income as of the Current Period
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	\$ -	(2) Cygnus International Co., Ltd. (Note 8)	\$ 1,015,203 (USD 33,340,000)	\$ -	\$ -	\$ 1,015,203 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Notes 4 and 5)	1,228,353 (USD 40,340,000)	-	-	1,228,353 (USD 40,340,000)	-	-	-	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	17,849,063
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	4,777,580
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Cygnus International Co., Ltd. (Note 6)	-	-	-	-	-	-	-	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	6,090,000 (USD 200,000,000)	(2) Uranus International Co., Ltd. (Note 7)	2,892,720 (USD 94,999,000)	-	-	2,892,720 (USD 94,999,000)	(318,024)	100	(301,072) (2)A.	9,470,271	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	5,842,807 (RMB 409,431,280) (USD 132,300,000)	(2) Uranus International Co., Ltd. (Note 10)	-	-	-	-	(148,447)	100	(131,172) (2)A.	9,328,955	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	5,992,397 (RMB 398,499,193) (USD 138,803,527)	(2) Norma International Co., Ltd. (Note 11)	-	-	-	-	228,266	100	154,886 (2)A.	10,490,000	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	2,999,560 (RMB 188,956,820) (USD 71,010,000)	(2) Norma International Co., Ltd. (Note 16)	-	-	-	-	(6,076)	100	(26,914) (2)A.	3,393,199	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling varied molds and electronic components	42,630 (USD 1,400,000)	(2) Cepheus International Co., Ltd.	34,104 (USD 1,120,000)	-	-	34,104 (USD 1,120,000)	-	75	-	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing electronic components	-	(2) Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	(2) Sagitta International Co., Ltd.	672,395 (USD 22,081,923)	-	-	672,395 (USD 22,081,923)	-	-	-	-	-

Accumulated Investment Amount Remitted from Taiwan to the Mainland China at the End of the Current Period (Note 13)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 13 and 14)	Upper Limit on the Amount of Investment in Mainland China Stipulated by the Investment Commission, MOEA (Note 3)
\$ 5,842,774 (USD 191,880,923)	\$ 43,852,238 (USD 1,055,764,718) (RMB 2,641,316,560)	\$ 96,516,778

Note 1: The methods of investment include:

1. Direct investment in Mainland China.
2. Investment in the companies in Mainland China via a company incorporated in the third region.
3. Others.

Note 2: Investment income (loss) shall be:

1. Specified if the investee is in the preparation stage with no investment income (loss) incurred.
2. Specified based on the following three investment income (loss) recognition principles:
 - (1) The financial statements audited by global accounting firms affiliated with the accounting firms in Taiwan.
 - (2) Financial statements audited by the CPAs of the parent company in Taiwan.
 - (3) Others.

Note 3: The upper limit on the Company's investment in Mainland China is calculated as \$160,861,297×60%=\$96,516,778.

Note 4: The paid-in capital of US\$6,670,000, which was self-owned funds of Nanomag International Co., Ltd., was then invested in Topo Technology (Suzhou) Co., Ltd. via Stella International Co., Ltd.. The investee thereafter raised its capital by US\$33,300,000 out of earnings in the third quarter of 2011 and returned US\$33,300,000 via capital reduction in the fourth quarter of 2014.

Note 5: The paid-in capital of US\$30,000,000, which was the earnings distributed by Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., was then invested in Topo Technology (Suzhou) Co., Ltd, with the amount of US\$67,000,000 returned via capital reduction in the first quarter of 2016. Lyra International Co., Ltd. sold all of its equity in November 2021; the proceeds have not yet been remitted back to Taiwan and therefore have not been deducted from the investment amount approved by the Investment Commission, MOEA.

Note 6: The paid-in capital of US\$106,000,000, which was the earnings distributed by Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., was then invested in Meecca Technology (Suzhou Industrial Park) Co., Ltd., with capital increase of US\$16,670,000 out of earnings in the third quarter of 2011. The amount of US\$16,670,000 was returned via capital reduction in the fourth quarter of 2014 and the amount of US\$32,000,000 in the third quarter of 2016. Thereafter, the amount of US\$32,000,000 was returned via capital reduction in the second quarter of 2017, and the amount of US\$32,000,000 was returned via capital reduction in the third quarter of 2017. Cygnus International Co., Ltd. sold all of its equity in November 2021; the proceeds have not yet been remitted back to Taiwan and therefore have not been deducted from the investment amount approved by the Investment Commission, MOEA.

Note 7: The paid-in capital of US\$5,001,000, which was the earnings distributed by Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., was then invested in Catcher Technology (Suqian) Co., Ltd. The paid-in capital of US\$100,000,000, which was the earnings distributed by Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., was then invested in Catcher Technology (Suqian) Co., Ltd. via Uranus International Co., Ltd.

Note 8: The paid-in capital of US\$16,670,000 was the earnings distributed in the third quarter of 2011 and US\$40,000,000 was returned via capital reduction in the second quarter of 2014. US\$10,010,000 was returned in August 2016 due to dissolution, but has not been remitted back to Taiwan.

Note 9: The paid-in capital of RMB227,510,746, which was the earnings distributed by Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., was then invested in Topo Technology (Taizhou) Co., Ltd. US\$65,979,240 and RMB602,268,326, which were respectively the earnings distributed by investees in Mainland China to Nanomag International Co., Ltd., were then invested in Topo Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd. Lyra International Co., Ltd. sold all of its equity in December 2020; the proceeds have not been remitted back to Taiwan and therefore have not been deducted from the investment amount approved by the Investment Commission, MOEA.

Note 10: The paid-in capital of US\$99,000,000, which was the earnings distributed by Catcher Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., was then invested in Vito Technology (Suqian) Co., Ltd. via Uranus International Co., Ltd. The paid-in capital of US\$33,300,000 and RMB409,431,280, which were the earnings respectively distributed by Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., were then invested in Vito Technology (Suqian) Co., Ltd. via Uranus International Co., Ltd.

Note 11: The paid-in capital of US\$27,332,360 and RMB398,499,193, which were the earnings respectively distributed by Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., were then invested in Arcadia Technology (Suqian) Co., Ltd. via Norma International Co., Ltd. The paid-in capital of US\$89,970,000, which was the proceeds from the capital reduction of Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd., and Meecca Technology (Suzhou Industrial Park) Co., Ltd., was then invested in Arcadia Technology (Suqian) Co., Ltd. via Norma International Co., Ltd. The paid-in capital of US\$21,501,167, which was the earning distributed by Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., was then invested in Arcadia Technology (Suqian) Co., Ltd. via Norma International Co., Ltd.

Note 12: The paid-in capital of US\$17,610,861 and RMB529,989,796, which were the earnings distributed by Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., were then invested in Meecca Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd. The paid-in capital of US\$20,000,000 and RMB284,660,400, which were the earnings and liquidation income distributed by Catcher Technology (Suzhou) Co., Ltd. and earnings distributed by Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd., were then invested in Meecca Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd. The paid-in capital of US\$18,000,000, which was the earning distributed by Lyra International Co., Ltd. to Topo Technology (Taizhou) Co., Ltd., was invested in Meecca Technology (Taizhou) Co., Ltd. Lyra International Co., Ltd. sold all of its equity in December 2020; the proceeds have not yet been remitted back to Taiwan and therefore have not been deducted from the investment amount approved by the Investment Commission, MOEA.

Note 13: Calculated based on the USD to NTD exchange rate of 30.45 as at the end of period.

Calculated based on the RMB to NTD exchange rate of 4.4312 as at the end of period.

Note 14: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012; the remaining share capital has not yet been remitted back to Taiwan and therefore has not been deducted from the investment amount authorized by the Investment Commission, MOEA.

Note 15: Sagitta International Co., Ltd. sold all of its shares of Chaohu Yunhai Magnesium Co., Ltd. in June 2016, but has not yet remitted the proceeds back to Taiwan. The investment thus has not been deducted from the investment amount authorized by the Investment Commission, MOEA.

Note 16: The paid-in capital of US\$71,010,000 and RMB188,956,820, which were the returned capital resulting from liquidating Catcher Technology (Suzhou) Co., Ltd. and the returned capital resulting from the capital reduction of Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd., were invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

Table 9

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
JANUARY 1 TO MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Company Name	Transaction Counterparty	Relationship (Note 1)	Transaction Details			
				Account	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	1	Other receivables from related parties	\$ 3,450,400		1.42
1	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	3	Processing fees income	279,307	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	7.89
				Other receivables from related parties	647,927		0.27
				Payables to related parties	83,989		0.03
				Other payables to related parties	101,402		0.04
		Arcadia Technology (Suqian) Co., Ltd.	3	Sales revenue	407,401	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	11.50
				Purchases	65,893	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	1.86
				Receivables from related parties	2,149,567		0.89
		Envio Technology (Suqian) Co., Ltd.	3	Payables to related parties	177,179	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.07
				Sales revenue	67,750		1.91
				Receivables from related parties	76,702		0.03
2	Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	3	Sales revenue	510,527	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	14.41
				Receivables from related parties	2,123,388		0.88
				Payables to related parties	83,101		0.03

Note 1: The intercompany relationships include:

1. Transactions from the parent company to subsidiaries.
2. Transactions from subsidiaries to the parent company.
3. Transactions between subsidiaries.

Note 2: Written off at the time of preparing the consolidated financial report.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
JANUARY 1 TO MARCH 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Miscellaneous Equipment	Total
Cost							
Balance at January 1, 2022	\$ 2,577,548	\$ 15,919,559	\$ 53,309,912	\$ 151,685	\$ 2,174,579	\$ 3,778,489	\$ 77,911,772
Additions	-	22,172	32,557	39	11,982	49,655	116,405
Disposals	-	-	(95,227)	(454)	-	(23,241)	(118,922)
Reclassifications	-	5,125	55,502	-	-	1,308	61,935
Effect of foreign currency exchange difference	-	496,176	947,183	3,640	56,735	96,025	1,599,759
Balance at March 31, 2022	<u>\$ 2,577,548</u>	<u>\$ 16,443,032</u>	<u>\$ 54,249,927</u>	<u>\$ 154,910</u>	<u>\$ 2,243,296</u>	<u>\$ 3,902,236</u>	<u>\$ 79,570,949</u>
Accumulated depreciation and impairment							
Balance at January 1, 2022	\$ -	\$ 6,343,048	\$ 48,164,442	\$ 138,110	\$ 2,127,677	\$ 3,270,148	\$ 60,043,425
Depreciation expense	-	195,324	571,418	3,692	39,221	98,210	907,865
Disposals	-	-	(95,182)	(255)	-	(23,221)	(118,658)
Effect of foreign currency exchange difference	-	223,466	820,555	3,223	51,183	81,195	1,179,622
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 6,761,838</u>	<u>\$ 49,461,233</u>	<u>\$ 144,770</u>	<u>\$ 2,218,081</u>	<u>\$ 3,426,332</u>	<u>\$ 62,012,254</u>
Net amount as of March 31, 2022	<u>\$ 2,577,548</u>	<u>\$ 9,681,194</u>	<u>\$ 4,788,694</u>	<u>\$ 10,140</u>	<u>\$ 25,215</u>	<u>\$ 475,904</u>	<u>\$ 17,558,695</u>
Cost							
Balance at January 1, 2023	\$ 1,865,382	\$ 16,128,894	\$ 51,401,009	\$ 152,669	\$ 2,235,511	\$ 4,010,177	\$ 75,793,642
Additions	-	2,280	78,384	-	2,669	34,362	117,695
Disposals	-	-	(818,618)	-	(481)	(3,093)	(822,192)
Reclassifications	-	257	48,196	-	-	4,050	52,503
Effect of foreign currency exchange difference	-	64,512	316,948	472	7,445	12,952	402,329
Balance at March 31, 2023	<u>\$ 1,865,382</u>	<u>\$ 16,195,943</u>	<u>\$ 51,025,919</u>	<u>\$ 153,141</u>	<u>\$ 2,245,144</u>	<u>\$ 4,058,448</u>	<u>\$ 75,543,977</u>
Accumulated depreciation and impairment							
Balance at January 1, 2023	\$ -	\$ 7,187,512	\$ 48,283,593	\$ 149,831	\$ 2,213,691	\$ 3,620,620	\$ 61,455,247
Depreciation expense	-	181,737	460,637	1,716	17,391	69,145	730,626
Disposals	-	-	(818,606)	-	(481)	(3,034)	(822,121)
Effect of foreign currency exchange difference	-	31,425	306,797	448	7,016	11,442	357,128
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 7,400,674</u>	<u>\$ 48,232,421</u>	<u>\$ 151,995</u>	<u>\$ 2,237,617</u>	<u>\$ 3,698,173</u>	<u>\$ 61,720,880</u>
Net amount as of January 1, 2023	<u>\$ 1,865,382</u>	<u>\$ 8,941,382</u>	<u>\$ 3,117,416</u>	<u>\$ 2,838</u>	<u>\$ 21,820</u>	<u>\$ 389,557</u>	<u>\$ 14,338,395</u>
Net amount as of March 31, 2023	<u>\$ 1,865,382</u>	<u>\$ 8,795,269</u>	<u>\$ 2,793,498</u>	<u>\$ 1,146</u>	<u>\$ 7,527</u>	<u>\$ 360,275</u>	<u>\$ 13,823,097</u>