



CATCHER TECHNOLOGY CO., LTD
2022 Annual Report

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Taiwan Stock Exchange Market Observation Post System:

<https://mops.twse.com.tw>

Catcher Technology's Annual Report is available at: <http://www.catcher-group.com> Printed
on March 5th, 2023

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

Name of any exchanges where the Company's securities are traded offshore:

Euro MTF (EMTF)

Method by which to access information on said offshore securities:

Information is available on Bloomberg.

VI. Company website: <http://www.catcher-group.com>

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Chapter 1. Letter to Shareholders

Dear Shareholders,

In the post-COVID era, 2022 appeared to be full of challenges for Catcher Technology (Catcher). With the pandemic easing, countries around the world are gradually reopening and restarting their economic cycles. On the other hand, uncertainties remain. The US-China disputes have intensified, the war between Russia and Ukraine has continued, extreme weather has repeatedly ravaged the earth, while the coronavirus still continues to mutate, all these changing manufacturing processes and consumption behaviors. The Zero-COVID policy and lockdowns in China have accelerated supply chain restructuring and de-globalization, aggravating inflation and force numerous countries to tighten their monetary policies. Amid tense financial conditions, the global economy is at more risk of recession.

The International Monetary Fund (IMF) predicts in its World Economic Outlook report that the global GDP will grow 3.4% in 2022; the momentum however is expected to slow down to 2.9% in 2023. The IMF has recently increased its GDP growth forecast for Taiwan to 3.3% in 2022, while lowering the estimate to 2.8% in 2023%. Taiwan's central bank also forecasts the domestic economy to grow 2.45% in 2022 while at a slower pace of 2.21% in 2023.

In 2022, Catcher's consolidated sales revenue reached NT\$27.821 billion, representing a year-on year decrease of 32.3%, attributed mainly to geopolitical turmoil, supply chain constraints, rising inflationary pressure, global economic downturn, and weak demand. In response to a rapidly changing environment, Catcher has been diversifying its product manufacturing and technology development, and exploring front-end applications that conform to new trends. In terms of material applications, the Company has continuously developed a variety of solutions. Operationally, it has been actively expanding into new markets and gaining new clients, while raising management flexibility in order to ease the impact from the pandemic and all kinds of uncertainties.

As a leading global brand providing total solutions for structured parts manufacturing, Catcher owns the most complete production matrix and the most solid customer base in the industry. The Company has since 2020 started to break into the new energy vehicle market; management is also optimistic about the future development of medical technology and the related demand for medical supplies. Looking to 2023, Catcher will continue to grow the existing businesses by making use of its ample resources, while seeking investment opportunities and partners that meet the Company's long-term business goals both domestically and overseas, in order to branch out its footprint and accelerate expansions in such new areas as medtech. Despite the uncertainties associated with

market movement and industry development, Catcher will continue to strengthen its competitiveness while widening the gap in differentiation between itself and peers by virtue of its accumulated diversified material applications, total solution techniques, innovative research and development, excellent manufacturing processes, leading automation capability, comprehensive vertical integration, best cost structure and scale of economies.

Financial Performance

In 2022, Catcher Group's consolidated sales revenue reached NT\$27.821 billion. During the same period, its consolidated gross margin was 32%, consolidated net profit after tax was NT\$10.902 billion and basic earnings per share was NT\$15.14.

Operational Results (Group)

Unit: Thousand NTD

Item	2022		2021	
	Amount	Percentage	Amount	Percentage
Sales revenue	27,820,529	100%	41,094,979	100%
Gross profit	8,866,897	32%	13,569,127	33%
Operating profit	4,968,798	18%	8,760,121	21%
Net profit before tax	16,543,047	59%	12,070,652	29%
Net profit after tax	10,902,179	39%	8,575,044	21%

Profitability (Group)

Item		2022	2021
Return on assets (ROA)		5%	4%
Return on equity (ROE)		7%	6%
Ratio to paid-in capital	Operating profit	70%	115%
	Net profit before tax	232%	158%
Net profit margin		39%	21%
Earnings per share (NT\$, basic)		15.14	11.31

Industry Trend and Outlook

Among the existing materials and production methods for making structured parts, metal provides optimum structure, strength, and complete protection. Applied to mid- to high-end products, metal structured parts own various properties, including the most complete supply chain, capacity for mass production and cost advantage. Metal products can be made with a variety of methods, such as die casting, stamping, forging and unibody. Products made with unibody casting

provides not only fashionable and high-end textures, but also such features as light-weight, simplicity and solidness as compared to other materials. Waste metals can also be recycled and reused, making it a crucial part for energy transition. From the aspects of material applications, designing and production methods, the develop ability of structured parts increases upon taking account the huge capacity demand coming along with mass production.

The pandemic has accelerated digital transition. Rising demand from various brands for high frequency transmission and high performance computing has increased the complexity of mobile device cooling and the design for enclosure cases as well as structured parts. In response to customers' pursuit of innovation and requirement for advanced specification, structured parts manufacturers must constantly develop new techniques for surface treatment. Enclosure case design is becoming harder, more complex and highly customized, also presenting both challenges and business opportunities for structured parts manufacturers.

As the global population ages, the demand for medical care continues to rise; in response countries are seeking more effective solutions by promoting the development of such technologies as precision medicine and digital health as well as related policies. By accelerating the development of advanced medtech, the efficiency of medical care will be improved and healthy life expectancy will be extended. At the same time, the outbreak of COVID-19 has structurally changed the landscape of the global medical supplies industry as well as related demand.

Estimated by the Industrial Technology Research Institute, the global medical supplies industry is expected to grow at a compound annual rate of around 5.6% in 2020-2023, leading to a market size of US\$475.3 billion in 2022 and US\$491.4 billion in 2023. The medical supplies industry has such features as interdisciplinary, cross-technology as well as "small volume, large variety". Its mainstream products are increasingly refined along with changes in disease patterns, R&D progress, and development of medical technology. Medical supplies manufacturing is highly integrated, applying various materials (including polymer plastics, chemicals and metal hardware), producing with a wide range of processes (such as optoelectronics, mechanical and electrical engineering, machining, electronics, and semiconductor), and concluding with safety inspections, testing and sterilization. It is a combination of materials, precision manufacturing, and related industry participants; this also suggests a great potential for Taiwanese manufacturers who have been playing a critical role in the global supply chain. Taiwan's industrial development has evolved from traditional manufacturing, plastics and chemicals in the early days to the high-tech fields such as electronics components and semiconductors currently. Once resources can be fully integrated through the whole supply chain, with demand for new technologies introduced and core competencies of different industries consolidated, Taiwan should be ready in making high-end medical supplies.

The world is paying more attention to climate change and net-zero carbon emissions. With government subsidies and aggressive development by automakers, as well as key technology issues such as charging equipment and the battery efficiency being resolved, the global sales of new energy vehicles are growing rapidly. In accordance with LMC Automotive and EV-Volumes.com, the global sales of pure electric vehicles reached 7.8 million in 2022, representing an annual increase of nearly 70% and accounting for around 10% of total new cars sold. The International Energy Agency (IEA) estimates that global electric vehicle sales will reach 145 million by 2030, equivalent to a compound annual growth of 30% and a penetration rate of 30%. In the medium to long term, under policy guidance, new energy vehicles will become the main growth driver for the automotive industry, suggesting a promising outlook for related sub-segments and supply chains.

Operating Strategies

For many years, Catcher has made large-scale investment in automation in order to reduce labor requirement, enhance productivity and quality, and improve production stability while reserving capacity for future expansion. Despite leading the industry already, automation remains one of Catcher's important future projects. Catcher also continues to expand the applications of its core products and technologies, enlarge its customer base, and strengthen employee capabilities through various methods such as job training, inter-department transfers, seminars, and online learning classes; this helps optimize the reserve of human capital while laying a solid ground for the Company's long-term development.

While actively striving towards its business goals, Catcher is also implementing corporate social responsibility and sustainable management principles. The Company has long been engaged in the ESG field. In addition to establishing the Sustainable Development Office, the Company regularly conducts analysis and risk assessment on material issues related to sustainable development, and stipulates related goals and policies based on the analysis and assessment results, in an effort to strengthen its communication with stakeholders. In addition to publishing the ESG Report, Catcher is also actively engaged in the green energy development, promoting examination of greenhouse gas inventories, and setting goals for energy conservation and carbon reduction to fulfill its environmental responsibilities. In terms of social participation, in addition to participating in social welfare activities and paying attention to education and related issues, Catcher also sponsors various sport events and received sports enterprise certification. During the pandemic, the Company continued to provide various supplies for emergency and epidemic prevention to medical institutions and social welfare groups to weather the difficulties together. Catcher also stipulated the Corporate Governance Best Practice Principles and established a corporate governance supervisor in 2021, dedicated to improving the Company's corporate governance structure, promoting related

actions, and strengthening the depth of governance in line with the Sustainable Development Roadmap.

Production and Marketing Strategies

Looking ahead to the future development of the metal structured parts market, the design of consumer electronics such as notebook PCs will remain thin and light; the 5G application accelerates data transmission and thus stimulates the development of wearable devices; in response to the increasing power consumption of onboard systems, structured parts and components are increasingly made of lightweight materials and optimized with lightweight structural design. To sum up, lightweight and thin design remain the key trend for both consumer and non-consumer electronics products. In the meantime, with major brands gradually raising their mid- to high-end product specifications, the penetration of high-end metal casings or composite designs will continue to rise.

Having developed composite materials for years, Catcher is able to provide the most diverse materials and manufacturing processes in the market. Leveraging its core competencies in material science, precision manufacturing, and surface treatment, together with such capabilities as high degree of customization, best execution, and mass production, Catcher has managed to effectively satisfy increasingly varied customer needs (for different metals or different specifications), with its products conforming to the trend of diverse, lightweight, and fashionable design concepts.

Catcher has accumulated abundant experience in production management thanks to years of large-scale investment in automation, and such competency outpaces most peers. Constant development in automation remains a key to Catcher's manufacturing process, aimed at enhancing production stability, productivity and quality. To strengthen its future growth momentum, Catcher has also continuously optimized its human resources, reserved R&D capabilities, and expanded applications of core technologies.

Looking into 2023, Catcher will continue to adjust its manufacturing facilities between Taiwan and China. The Company ranks among the world's top three in terms of production capacity for structured parts, also the only Taiwanese firm maintaining a considerable scale of local production. By managing its capacities cross the Taiwan Strait, Catcher owns great flexibility to respond to customers' diverse needs; this also helps reduce the potential risks arising from market and operating environment changes caused by a centralized single plant.

Research and Development

To maintain its leading position in the industry, Catcher is constantly expanding the

applications of different materials, composites, and materials of high strength, high resilience, low electromagnetic shielding, as well as high radio frequency, thereby advancing its technology levels and moving towards smart production. Catcher has been engaged in basic material science, surface physics, and chemical processing for many years. It has developed a wide range of products and techniques with high precision, high added-value and availability for mass production, by using different materials in different molding processes, coupled with diversified secondary processing and surface treatment. The Company has since 2018 gradually established its technological capacities for developing automotive and medtech products through participating in external exhibitions and data collection; it also worked with existing customers to develop and manufacture related products. In recent years, by participating in a number of university-level industry-academia alliances in Taiwan, Catcher has been able to launch a few new projects and established a technical platform for medical supplies, in a bid to achieve local development and production while adding value to MIT products.

As a world-class light metal casing manufacturer, Catcher continues to move toward high-end, distinctiveness and differentiation. The Company's R&D covers numerous areas, including 1) enclosure cases and structured parts made of special magnesium alloy, aluminum alloy, stainless steel, carbon (glass) fiber, plastics, powder as well as other metals; 2) laser engraving/seamless welding technology, metal/plastic unibody injection molding technology, etching/multi-color process with anodizing process technology, high-precision extrusion technology for large metal enclosure cases, carbon fiber composite sheets, and memory alloys with super elasticity. The Company also leverages its existing technologies to actively develop other niche products so as to diversify its product portfolio.

Whether it is an existing order for ITC products or new orders for automotive parts and medical supplies, Catcher's R&D team collaborates with customers from the design stage to accurately understand their expectations during the development/manufacturing process. The Company on the one hand develops special processes and technologies to perfectly integrate with existing ones; in the meantime, various materials and manufacturing processes are mixed and combined with the unibody method to manufacture products with special surfaces and high-quality textures that meet customers' diverse requirements.

Measures in Response to Environmental Changes such as External Competition, Regulatory Shifts, and Management in General

The ICT industry is attracting more newcomers as technologies are growing exponentially and new products are constantly launched. This has intensified competition and added pressure to operations. Catcher has since 2020 diversified into the non-consumer electronics business, a

completely new area, aiming to diversify both products and customers. To maintain a leading position in the industry, Catcher closely watches and studies the changes in market trends and pertinent technologies as well as manufacturing processes for components made of various materials. In the basic material science area, the Company also constantly enhances its molding, processing, and surface treatment capabilities to advance both technical level and management efficiency, thereby diversifying and advancing its products. With excellent manufacturing technologies and huge production capacity, Catcher will continue to provide high-quality services to customers, in order to strengthen long-term relationships of both parties while securing stable sources of profit.

Catcher upholds the business philosophy of integrity and strictly adheres to relevant laws and regulations as well as the Supplier Code of Conduct of international customers. The Company also closely monitors the development of major legal and policy issues in finance, environmental protection and of social aspects, and stipulates related management procedures and internal audit standards based on the development to protect its reputation while preventing illegal activities from affecting its operations.

In recent years, the concept of sustainable development has swept across the globe, and countries have successively promoted green and environmentally-friendly laws related to electronics products. Major brand manufacturers have not only fulfilled their existing commitments, but also formulated high standards and strict requirements for all suppliers to follow. Catcher continues to promote green processes to meet regulatory requirements and global trends. In the face of regulatory changes, the Company will closely monitor, continuously update, and effectively comply with the rules to reduce operational risks. The overall business environment is becoming increasingly complex, and the degree of change and volatility is even more difficult to predict and grasp. When evaluating and formulating various business and investment plans, Catcher will be more cautious in considering industry conditions and observing economic trends to select the best strategy.

Business Objectives

Catcher has since 2020 entered the non-consumer electronics area, expanding its business focus from notebook PCs, tablets, and wearable devices to automotive parts and medical supplies, in an aim to build a diversified portfolio of products and customers. Looking forward, the Company will continue to develop new products and explore new customers as well as investment opportunities, with the ultimate goal of balancing sources of revenues while reducing reliance on a single customer.

In the initial stage of transformation, notebook PCs and other consumer electronics products will continue to drive Catcher's revenue momentum. In accordance with the Intelligence & Consulting Institute (MIC), the stay-at-home economy has subsided while shipment of IT hardware products is gradually recovering and returning to the pre-pandemic levels. The MIC forecasts the global notebook PC shipment will drop 20% to 199 million units in 2022, and decline further in 2023 considering weak consumer end-demand and slow inventory destocking amid geopolitical turmoil, rising inflationary pressure, global interest rate hikes and economic downturn. Accordingly, the overall situation is unlikely to improve until the conventional peak season in the second half of the year.

In the face of the supply chain disruptions, the Company has made business diversification and stabilization of profits its two main objectives for now. As a leading manufacturer of enclosure cases and structured parts, Catcher has been able to offer comprehensive solutions to meet customers' needs and maintain its competitive advantages in the structured parts industry, with its extensive knowledge about various materials, core technologies, precision manufacturing capabilities, and abundant experience in customized designs.

After years of operations, Catcher has accumulated sufficient expertise in material science and precision manufacturing, the core techniques required to make high-end medical supplies. Catcher established Catcher Medtech Co., Ltd. in 2021 as an integrated platform for operations and investment management, while collaborating with the Industrial Technology Research Institute to develop a minimally invasive surgery system. To ensure itself prepared, the Company also obtained ISO 13485 certification for Medical Devices Quality Management Systems in late 2021. In addition, through strategic investments in startup medtech teams and those with strong presence in the related fields, Catcher has been able to know more about the industry trend and direction of future development, while gradually raising its publicity in the medical supply ecosystem. Going forward, Catcher will continue to adopt the multi-faceted approach to the medtech business; by leveraging its strengths in material science and manufacturing, the Company hopes to work with major global brands while continuously seeking M&A targets and partners both domestically and overseas.

The global political and economic environment is changing drastically. Catcher keeps its cash position while releasing excess production capacity to maintain flexibility and resilience amid supply chain chaos. The Company proves itself to be fearless in the face of strong US dollar and rate hike cycles; now in the transforming stage, it also has a great potential for strategic development. Industry experts generally believe that inventory adjustments in the supply chain will likely improve in the second quarter, with recoveries expected to arrive in the second half of the year. In addition to adjusting the pace of production while lowering the cost of waste material, considering persistent uncertainties, Catcher's first priority at current stage is to stabilize its

profitability through continuously increasing its mid- to high-end product exposure along with strict cost control. Facing supply chain restructuring, Catcher must carefully evaluate its plans of either plant expansion or global relocation. With a clear outlook, the Company will make investment in adding new production capacity to satisfy customers' needs. In the mid to long run, new businesses/new products/new customers are expected gradually generate material contributions. By utilizing the group's ample resources accumulated for years, the Company will continue to seek investment opportunities and M&A targets for long-term development, in an effort to compose a total solution and integrated platform that would help Catcher build an ecosystem and its core competency in the new business areas.

As a leading brand that offers comprehensive structured parts solutions, Catcher upholds a philosophy of “technological innovation, customer engagement, ethical management, and corporate sustainability”. The Company commits itself to product development, business optimization, technology enhancement and cost structure improvement, striving for diversification on the way of transformation. Regardless of an ever-changing business environment, Catcher insists on adopting such strategies as “making good use of resources, developing proactively, thinking globally and managing sustainably”, in a hope to create a maximum value for its customers, shareholders, and employees.

Chairperson: Shui-Shu Hung Manager: Tien-Szu Hung Accounting Manager: Chin-Chung Chen



Chapter 2. Company Profile

I. Date of Establishment: November 23, 1984

II. Company History

- 1984 Was established at No. 60, Lane 77, Haizhong Street, Tainan City, Taiwan, with registered capital of NT\$2,000 thousand and started to develop aluminum alloy die-casted parts for use in hard disk drives.
- 1986 Raised paid-in capital by NT\$3,000 thousand to NT\$5,000 thousand.
Started to mass-produce hard disk drive bases to supply Micro Science Technology, Taiwan's largest hard disk maker at the time, while also starting to develop magnesium alloy die-casting technology.
- 1987 Obtained prototype orders from Prime and started to manufacture read/write head actuator arms for 5 1/4" hard disk drives.
- 1988 Purchased 1,500 pings of land in the Yongkang Industrial Zone, built additional factories and acquired equipment to greatly expand the scale of operations.
- 1989 Moved factories to No. 79, Huangong Road, Yongkang City, Tainan, Taiwan.
Imported Taiwan's first magnesium alloy hot chamber die-casting machine from West Germany to manufacture read/write head actuator arms for hard disk drives.
Imported the 800-ton aluminum die-casting machine and vacuum die-casting equipment from Toshiba Machinery Co. Ltd. (Japan) to manufacture heat-resistant (400°C) aluminum die-casting parts for exports to Japan.
- 1990 Raised paid-in capital by NT\$10,000 thousand to NT\$15,000 thousand.
Actively participated in overseas exhibitions and visited potential customers in the US, Canada, Japan, Germany, Belgium, and the Netherlands.
Obtained orders from overseas for magnesium alloy die-casting parts for use in mobile phones.
Became internationally competitive with its mature magnesium alloy die-casting technology.
- 1991 Imported vacuum die-casting technology from Switzerland.
Began to export hard disk drive bases and chassis to Singapore.
- 1992 Raised paid-in capital by NT\$10,000 thousand to NT\$25,000 thousand.
Became an official supplier to major global hard disk drive makers with mature mass-production capability of high-precision die-casting parts.
- 1994 Raised paid-in capital by NT\$15,000 thousand to NT\$40,000 thousand.
Received the DNVI ISO 9002 International Quality Management System Certification and started to develop magnesium alloy die-casting parts for notebook PCs for Acer Inc.

- 1995 Jointly developed magnesium alloy die-casting parts for notebook PCs with Acer Inc.
- 1996 Raised paid-in capital by NT\$20,000 thousand each through retained earnings and capital reserves to NT\$80,000 thousand.
Officially mass-produced magnesium alloy chassis for notebook PCs, also offering the first solution for heat dissipation and electromagnetic interference (EMI) in Taiwan.
- 1997 Received the BVQI ISO 9001 Certification.
Raised paid-in capital by NT\$80,000 thousand in cash and by NT\$32,000 thousand through retained earnings to NT\$192,000 thousand.
Approved by the Board of Directors to submit an IPO application.
Renamed to Catcher Technology Co. Ltd. and was publicly issued at the same time.
- 1998 Purchased additional magnesium alloy die-casting machines, CNC processing machines and paint processing lines.
Purchased two new factories.
China Development Industrial Bank acquired a 7.81% stake and became the Company's corporate shareholder.
Planning fully-computerized operations; respectively accredited or contacted by Compaq and Dell for related businesses.
Raised paid-in capital by NT\$134,400 thousand through retained earnings and by NT\$630 thousand through employee bonus capitalization to NT\$327,030 thousand.
- 1999 Purchased additional magnesium alloy die-casting machines, CNC processing machines and molding temperature controllers.
Purchased a new factory.
Raised paid-in capital by NT\$133,512 thousand through retained earnings and by NT\$100,000 thousand in cash to NT\$480,542 thousand.
Listed on the OTC market on November 1.
- 2000 Raised paid-in capital to NT\$560,542 thousand by NT\$1.32 billion in cash through issuing 8,000 thousand common shares.
Raised paid-in capital to NT\$844,413 thousand by NT\$283,871 thousand with retained earnings.
Signed a patent technology license agreement with National Tsing Hua University for the "reciprocating extrusion process" used for R&D and improvement of the magnesium alloy and magnesium matrix composites of 3C, aerospace and optical products.
Purchased frozen burr removers, die-casting extraction robots, grinding robots, high-speed processing machines, and developed computer software as well as molding flow analysis software.
Leased 22,000 pings of land from Taiwan Sugar Corporation to build the Renai Factory and purchased additional equipment to greatly expand the scale of operations and move toward world-class vertical integration.
- 2001 Purchased cold magnesium alloy die-casting machines, magnesium alloy die-casting machines, magnesium die-casting extractor robots, and painting

- robots to expand production capacity.
 Approved by the Industrial Development Bureau, the Ministry of Economic Affairs for the Leader Products R&D Program.
 Relocated the other four factories to the Renai factory site to improve operational efficiency.
 Raised paid-in capital to NT\$1,020,496 thousand by NT\$176,083 thousand.
 Listed on the TWSE on September 17.
 Certified by international brands such as Apple, Motorola, LG and Samsung;
 Received orders for PDA and mobile phone casings; commencing mass production.
- 2002 Issued the first batch of secured bonds of NT\$700 million with an annual coupon rate of 2.795%.
 Purchased CNC processing machines and clean room mobile phone plating equipment.
 Started manufacturing desktop computer chassis and enclosure cases and received orders from global brand makers.
 Started mass production and shipment at the Suzhou factory in China.
 Raised paid-in capital to NT\$1,337,383 thousand by NT\$265,862 thousand with earnings and by NT\$51,025 thousand through capital surplus.
- 2003 Raised paid-in capital to NT\$1,550,990 thousand by NT\$213,607 thousand through retained earnings.
 Issued overseas convertible bonds of USD50,000 thousand.
- 2004 Ranked No.1 by China Credit Information Service Ltd.in terms of overall operational performance among Taiwan's Top 1000 Taiwanese Enterprise in China.
 Raised paid-in capital to NT\$1,876,588 thousand with earnings by NT\$325,598 thousand.
 Converted euro-convertible bonds of USD1,500 thousand at NT\$105, with paid-in capital increased to NT\$1,881,469 thousand.
 Established Topo Suzhou Plant in China.
- 2005 Rated first in terms of profitability and third in terms of overall operational performance in the survey titled "Top 1000 Taiwanese Enterprise in China" conducted by China Credit Information Service Ltd.
 Raised paid-in capital to NT\$2,821,616 thousand by NT\$782,327 thousand with earnings.
 Issued the year's first batch of privately placed Euro convertible bonds of USD80,000 thousand.
 Established Aquila Technology (Suzhou) Co., Ltd.
 Started mass production and shipment at TOPO Technology (Suzhou) in China.
- 2006 Selected by Forbes as one of the 200 best companies in Asia and one of the 200 steadily growing small and medium-sized enterprises in Asia.
 Ranked 19th in Asia's Top 50 Enterprises conducted by the Business Week.
 Selected as a future blue chip stock by Standard & Poor's.
 Established Meeca Technology (Suzhou Industrial Park) Co., Ltd.
 Catcher's Taiwan factory purchased additional CNC processing machines and other machinery and equipment.
 Raised paid-in capital to NT\$1,550,990 thousand by NT\$1,194,729 thousand

with overseas convertible bonds converted.

- 2007 Ranked the first among the Top 10 Benchmark Enterprises Investing in China, and the second among the Top 10 Segment Group in China Qualifying for Overseas IPO in the evaluation titled “Taiwanese Group Enterprise Study” conducted by China Credit Information Service Ltd.
Raised paid-in capital to NT\$5,415,917 thousand by NT\$1,274,442 thousand with earnings.
Established subsidiaries in Hong Kong and Singapore to integrate offshore investment, facilitate investee management, and adjust the group’s investment structure.
- 2008 Raised capital-in capital to NT\$5,997,159 thousand by NT\$581,242 thousand with earnings.
Purchased the second factory in Tainan Science Park.
Established Catcher Technology (Suqian) Co., Ltd.
- 2009 Obtained ISO14001 Environmental Management System certification.
Raised paid-in capital to NT\$6,649,085 thousand with earnings.
Issued convertible bonds of NT\$5,000,000 thousand.
Injected USD 93 million into the wholly-owned subsidiary.
- 2010 Group consolidated revenue reached a new high at NT\$21.8 billion.
Expanded CNC processing machines to develop the seamless magnesium alloy enclosure cases for smartphones.
Outpaced most global structured parts manufacturers in the 3C industry with the largest-scale CNC capacity.
Started mass production at Catcher Technology (Suqian) Co., Ltd.
- 2011 Group consolidated revenue reached NT\$35.9 billion and net profit reached NT\$10.67 billion, both record highs for the Company.
Issued 6.7million units of global depository receipts (GDRs) for US\$220 million.
Issued the second batch of convertible bonds of NT\$4.5 billion.
Received the Job Creation Contribution Award from the Executive Yuan.
Awarded Top 100 Taiwanese Innovative Enterprises for 2011 by the Industrial Development Bureau, the Ministry of Economic Affairs.
Hailed as “Top 100 Taiwanese Technology Enterprises for 2011” by Digitimes.
Injected capital into subsidiaries in Mainland China, including Catcher Technology (Suqian), Catcher Technology (Suzhou), TOPO Technology (Suzhou), and Meeca Technology (Suzhou Industrial Park).
Donated to Miyagi Prefecture, stricken by the great east japan earthquake on March 11.
- 2012 Group consolidated revenue reached NT\$37.0 billion and net profit reached NT\$10.89 billion in, both record highs in history.
Ranked among the World’s 1000 Fastest Growing Enterprises by the International Business Times.
Rated by Digitimes among Taiwan’s Top 100 Technology Enterprises for 2012, at which Catcher ranked 17th in terms of overall technological performance, 5th in terms of profitability, and 7th in terms of revenue expansion in Asia, and 5th in terms of regional ranking, and 3rd in terms of profitability in the Taiwan area.

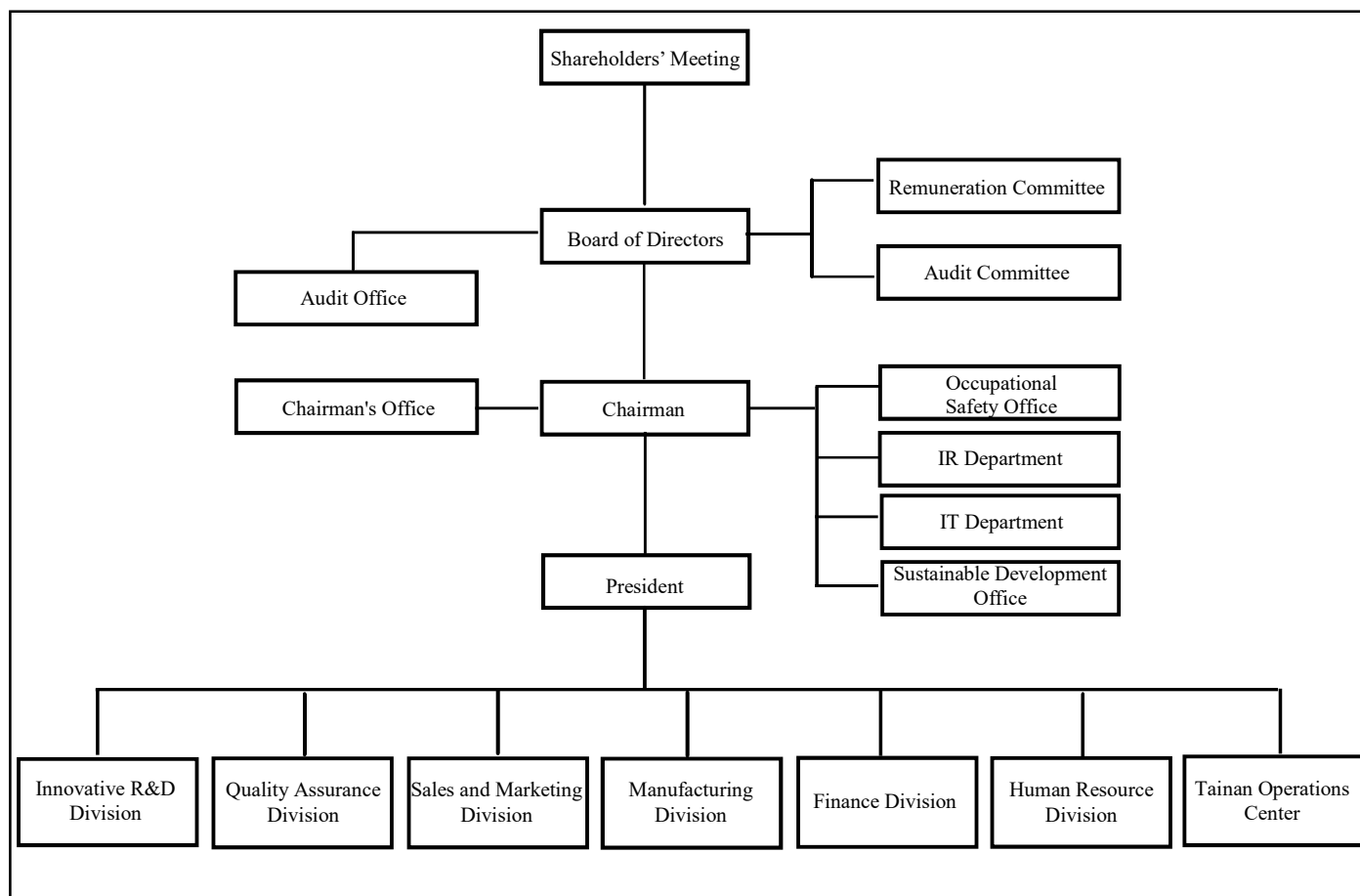
- Established Vito Technology (Suqian) Co., Ltd. and Topo Technology (Taizhou) Co., Ltd.
- 2013 Group consolidated revenue reached NT\$43.2 billion and net profit reached NT\$13.8 billion, both new high in history.
Awarded the Excellent Importer and Exporter for 2012 by the Bureau of Foreign Trade, the Ministry of Economic Affairs.
- 2014 Group consolidated revenue reached NT\$55.2 billion and net profit reached NT\$17.8 billion, both new high in history.
Established Norma International Co., Ltd. and Arcadia Technology (Suqian) Co., Ltd.
Injected capital into Catcher Technology (Suqian) Co., Ltd. and VITO Technology (Suqian) Co., Ltd.
Donated to the disaster relief fund for victims of the Kaohsiung gas explosion incident.
- 2015 Group consolidated revenue reached a new high at NT\$82.4 billion and net profit reached NT\$25.1 billion.
Was the only Taiwanese firm ranked by Forbes as among Asia's Top 50 Best Companies.
- 2016 Group consolidated revenue reached NT\$79.1 billion and net profit reached NT\$22 billion, both the second record high in history.
Established Meeca Technology (Taizhou) Co., Ltd.
Chairman Hung was ranked the third among Taiwan's Top 50 Best-performing CEOs by Harvard Business Review; the Company was ranked No.1 in the category of technology and computer peripherals.
Ranked among the top 10 of the Nikkei's Asia300.
Received the 2016 Sports Enterprise Certification by the Sports Administration of the Ministry of Education.
Received the 2016 Award of Outstanding Taiwanese Businessman in China from Management Institute in Taipei.
- 2017 Group consolidated revenue reached NT\$93.3 billion, a new high.
Established Envio Technology (Suqian) Co., Ltd.
Awarded Forbes Global 2000 and ranked the 178th in the growing company segment.
Forbes ranked Catcher 51st among its Top Multinational Performers under Forbes Global 2000.
Ranked 14th in Nikkei Asia 300 by Nikkei News.
Purchased 1,000,000kWh of green power and reduced CO2 emissions by 528 tons in response to the voluntary green electricity pricing plan initiated by the Ministry of Economic Affairs.
Included in Taiwan Top 5,000 Big Enterprises by China Credit Information Service Ltd.
Obtained ISO 14046 Water Footprint Verification Certification.

- 2018 Group consolidated revenue reached NT\$95.4 billion, a new high in history.
Ranked among the 1000 High-Growth Companies Asia-Pacific by Financial Times.
Factory No.1 and No.2 in Tainan Technology Industrial Park respectively passed the Cleaner Production Assessment hosted by the Industrial Development Bureau of the Ministry of Economic Affairs.
Ranked the 15th in the Nikkei Asia 300.
Awarded Forbes Global 2000 and ranked the 188th in the growing company segment.
Ranked the 24th among the Forbes Top 100 Digital Companies, first among Taiwanese companies.
Meeca Technology (Taizhou), the China-based subsidiary, was awarded Model Unit of Benchmark Enterprises in 2018.
- 2019 Group consolidated revenue reached NT\$91.6 billion, over NT\$90 billion for three consecutive years.
Ranked by 1111 Job Bank the Top 20 Happy Enterprises in the Technology Industry.
Received the National Sustainable Development Award.
Signed an MOU with the Bureau of Education, Tainan City Government, to execute the Computational Thinking Project.
Awarded the Best Electronics Manufacturing Company by Global Brands.
Catcher Technology (Suqian) was elected a model unit for Fire Safety Management by the Suzhou Industrial Park.
- 2020 Signed an MOU with the Bureau of Education, Tainan City Government, to implement the computational thinking program.
Chairman Hung was ranked the 1st among Taiwan's Top 100 CEOs by Harvard Business Review.
Received the "Sports Enterprise Certificate" by the Sports Administration, the Ministry of Education the third consecutive time.
Sold 100% stake in TOPO Technology (Taizhou) and Meeca Technology (Taizhou) to Lens Technology.
Bought back treasury shares to safeguard shareholders' interests.
- 2021 Collaborated with Industrial Technology Research Institute to develop the next-generation integrated electrosurgery system for minimally invasive surgery.
Received ISO 13485 Medical Device Quality Management System certification.
Sold 100% stake in both Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd. to Suzhou Sin Ruei Sheng Co., Ltd. and Suzhou Sin Ruei Li Co., Ltd., respectively.
Bought back treasury shares to safeguard shareholders' interests.
- 2022 Chairman Hung was ranked the 7th among Taiwan's Top 100 CEOs by Harvard Business Review.
Was selected again as a constituent stock of both FTSE4Good Emerging Market Index and Taiwan ESG Index.
Obtained ISO 27001 Information Security Management System certification.
Ranked among the top 21-35% of listed companies in the "8th Corporate Governance Evaluation", the best performance in six years.

Chapter 3. Corporate Governance Report

I. Organization

(I) Organizational Chart



(II) Roles and Responsibilities of the Major Departments

- **Chairman's Office:** Legal affairs and IPR; transformation strategy; investment management.
- **Innovative R&D Division:** Forward-looking technology R&D; production optimization.
- **Quality Assurance Division:** Product quality inspection and assurance.
- **Sales and Marketing Division:** Brand management; market research; business promotion; customer service.
- **Manufacturing Division:** Manufacturing and processing of structured parts.
- **Finance Division:** Financial and accounting affairs; investment planning; stock affairs.
- **Human Resource Division:** Human resource management; organizational development.
- **Tainan Operations Center:** Materials planning; supplier management; operations management including measuring and tracking performance metrics.
- **Audit Office:** Internal audit; operating procedures management.

- **Occupational Safety Office:** Occupational safety inspection and environmental protection within the factories.
- **IR Department:** Shareholder and investor relationship management.
- **IT Department:** The Company's information system maintenance and operations and implementation of information security management.
- **Sustainable Development Office:** Sustainable development planning and promotion; participate in corporate social responsibility activities.

II. Directors' Information

(I) Directors' Information

February 28, 2023; Unit: Shares

Title	Name	Nationality or place of registration	Gender/age	Date of first election	Term (Year)	Date elected/appointed	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads		
							No. of shares	Shareholding ratio	No. of shares (Note)	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship
Director	Shui-Shu Hung	Taiwan	Male, 61 to 70 years old	2013.06.13	3 years	2019.06.12	10,704,834	1.50%	10,704,834	1.50%	14,409,961	2.02%	-	-	National Taiwan University College of Medicine Chairman of Catcher Technology Co., Ltd.	Chairman of Kai Yi Investment Co., Ltd.	Director	Tien-Szu Hung/Shui-sung Hung	Brothers
Director	Tien-Szu Hung	Taiwan	Male, 61 to 70 years old	2013.06.13	3 years	2019.06.12	10,661,889	1.49%	10,661,889	1.49%	15,364,013	2.15%	-	-	Chairman of Chia-Wei Investment Co., Ltd.	President of the Company Chairman of Chia-Wei Investment Co., Ltd.	Director	Shui-Shu Hung/Shui-sung Hung	Brothers
Director	YungYu Investment Co., Ltd.	Taiwan		2020.06.30	2 years	2020.06.30	10,283,871	1.44%	10,283,871	1.44%	-	0%			-	-	-	-	-
Representative	Shui-Sung Hung	Taiwan	Male, 61 to 70 years old	2020.06.30	2 years	2020.06.30	-	0%	-	0%	-	0%	-	-	Chairman of De-Neng Investment Co., Ltd. Supervisor of YongYu Investment Co., Ltd.	Chairman of De-Neng Investment Co., Ltd. Supervisor of YongYu Investment Co., Ltd.	Director	Shui-Shu Hung/Tien-Szu Hung	Brothers
Director	Mon-Huan Le	Taiwan	Male, 61 to 70 years old	2013.06.13	3 years	2019.06.12	-	0%	-	0%	-	0%	-	-	Department of Medicine, National Taiwan University College of Medicine Adjunct lecturer at National Taiwan University College of Medicine	Director of Catcher Technology Co., Ltd. Decision-making committee member/Director of Lo-Hsu Medical Foundation Lotung Poh-Ai Hospital	-	-	-

Independent Director	Wen-Che Tseng	Taiwan	Male, 61 to 70 years old	2019.06.12	3 years	2019.06.12	-	0%	-	0%	-	0%	-	-	EMBA, National Cheng Kung University Executive vice president/Director of Tax Affairs Department, Deloitte & Touche	The Company's independent director/Audit Committee member/Remuneration Committee member Huayulien Development Co., LTD.'s independent director /Audit Committee member/Remuneration Committee member Goldsun Building Materials Co., Ltd. independent director/Audit Committee member/Remuneration Committee member KMC (Kuei Meng) International Inc.'s independent director/Audit Committee member/Remuneration Committee member	-	-	-
Independent Director	Tsornng-Juu Liang	Taiwan	Male, 61 to 70 years old	2019.06.12	3 years	2019.06.12	-	0%	-	0%	-	0%	-	-	Ph.D., Department of Electrical Engineering, University of Missouri Deputy Dean, College of Electrical Engineering and Computer Science, National Cheng Kung University	The Company's independent director/Audit Committee member/Remuneration Committee member Advisor of Leadtrend Technology Corporation Chairman of Taiwan Power Electronics Association	-	-	-

Independent Director	Ming-Yang Cheng	Taiwan	Male, 61 to 70 years old	2019.06.12	3 years	2019.06.12	-	0%	-	0%	-	0%	-	-	Ph.D., Department of Electrical Engineering, University of Missouri Specially Appointed Professor, Department of Electrical Engineering, National Cheng Kung University	The Company's independent director/Audit Committee member/Remuneration Committee member	-	-	-
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Note : No. of shares includes shares under trust with discretion reserved.

Institutional Director	Major shareholder of Institutional Director
YungYu Investment Co., Ltd.	Shui-Sung Hung (99.95%)

(I) Directors' Information

February 28, 2023

Qualifications Name	Professional Qualifications and Experiences	Independence of Independent Directors	Number of other Taiwanese public companies concurrently served as an independent director
Chairman Shui-Shu Hung Director Tien-Szu Hung Director of YungYu Investment Co., Ltd. Representative: Shui-Sung Hung Director Mon-Huan Le	1. Please refer to “Directors’ Information (1)” (Page 19) of the Annual Report for the professional qualifications and experience of directors. 2. The matters stipulated in all paragraphs of Article 30 of the Company Act do not describe the directors.	N/A	N/A
Independent Director		All independent directors meet the following conditions: 1. Complies with the requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission. 2. The person, person’s spouse, or relative within the second degree of kinship (or using the name of others) do not have shareholdings in the Company. 3. The remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years.	3
Wen-Che Tseng			0
Tsornng-Juu Liang			0
Ming-Yang Cheng			0

Note:

1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.
2. Does not concurrently serve as an independent director in more than 3 other public companies.
3. The person does not meet the following conditions in the two years prior to the term of office and during the term of office:
 - (1) Not an employee of the Company or any of its affiliates.
 - (2) A director or supervisor of the Company or its affiliates.
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate number of 1% or more of the shares of the company or ranks as one of its top ten shareholders.
 - (4) A manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship or closer to anyone listed in (2) or (3).
 - (5) Director, supervisor or legal shareholder who directly holds more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director of the Company in accordance with Article 27 of the Company Act.
 - (6) More than half of the company directors or voting shares are directors, supervisors or employees of other companies controlled by the same person.
 - (7) A director, supervisor, or employee of the Bank that is the same person or spouse as the chairperson, president or equivalent positions of the Company
- (8) Director, supervisor, manager or shareholder holding more than 5% of the shares of a company or institution with financial or business dealings with the Company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. However, those serving on the Company’s Remuneration Committee are exempted.

Board Diversity

The Company has established “Corporate Governance Best Practice Principles” which stipulates that members of the Board of Directors should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to accomplish the preferred governance goals of the Company, the Board of Directors shall generally be equipped with the following capabilities:

- I. Ability to make sound business judgments
- II. Ability to perform accounting and financial analysis
- III. Ability to manage a business
- IV. Ability to handle crisis management
- V. Industrial knowledge
- VI. An international market perspective
- VII. Leadership
- VIII. Decision-making ability

28.57% are directors who are employees of the Company. 42.86% are independent directors. There are 3 independent directors who have served for less than 2 terms. There are 7 directors between 61 and 70 years old.

Criteria Name	Title	Concurrently an employee of the Company	Ability to make sound business judgments	Ability to perform accounting and financial analysis	Ability to manage a business	Ability to handle crisis managem ent	Industrial knowledge	An internation al market perspective	Leader ship	Decision- making ability
Shui-Shu Hung	Chairman	V	V		V	V	V	V	V	V
Tien-Szu Hung	President	V	V		V	V	V	V	V	V
Shui-Sung Hung	Representative of Institutional Director		V		V	V	V	V	V	V
Mon-Huan Le	Director		V		V	V	V	V	V	V
Wen-Che Tseng	Independent Director		V	V	V	V	V	V	V	V
Tsornng-Juu Liang	Independent Director		V		V	V	V	V	V	V
Ming-Yang Cheng	Independent Director		V		V	V	V	V	V	V

The composition of the board members shall be determined in consideration of diversity, pursuant to the Company's “Corporate Governance Best Practice Principles” approved by the Board, which is disclosed on the Company's official website and Market Observation Post System.

The specific management goals and achievement of director diversification policies

Management objectives:	Achievement status
More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.	Achieved
Directors who serve as managers of the Company concurrently shall not exceed one third of the Board of Directors	Achieved
No independent director shall serve more than three consecutive terms	Achieved
Independent directors shall account for at least one third of the Board of Directors	Achieved

(II) Management Team

February 28, 2023; Unit: Shares

Title	Nationality	Name	Gender	Date elected/appointed	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or second-degree relative of another manager		
					No. of shares	Shareholding's Ownership (%)	No. of shares	Shareholdings Ownership (%)	No. of shares	Shareholding ratio			Title	Name	Relationship
President	Taiwan	Tien-Szu Hung	Male	2016.01.01	10,661,889	1.38%	15,364,013	2.02%	-	-	Chairman of Chia-Wei Investment Co., Ltd. President of Catcher Technology Co., Ltd.	Chairman of Chia-Wei Investment Co., Ltd.	-	-	-
Vice President	Taiwan	Hsu-Yuan Lee	Male	2005.02.01	0	0.00%	985	0.00%	-	-	Mechanical Engineering Department of National Taipei Institute of Technology Senior vice president of the R&D Department President	Chairman of Smart Ecare Inc. (Representative) Chairman (representative) of Catcher Medtech Co., Ltd. Director, Bioteque Corporation (Representative)	Senior or associate vice president	Yu-yen Lin	Spouse
Vice President	Taiwan	Shih-Te Huang	Male	2020.12.01	0	0.00%	0	0.00%	-	-	Mechanical Engineering Department of National Chin-Yi University of Technology Vice president of the Manufacturing and Production Department, Catcher Technology Co., Ltd.	Director of Ke Yue Co., Ltd. (Representative)	-	-	-
Senior associate vice president	Taiwan	Shih-Wei Li	Male	2007.11.01	0	0.00%	0	0.00%	-	-	PhD in National Tsing Hua University Department of Materials Science and Engineering Senior associate vice president of the R&D Department of Catcher Technology Co., Ltd.	None	-	-	-

Title	Nationality	Name	Gender	Date elected/appointed	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or second-degree relative of another manager		
					No. of shares	Shareholding Ownership (%)	No. of shares	Shareholding Ownership (%)	No. of shares	Shareholding ratio			Title	Name	Relationship
Senior associate vice president	Taiwan	Yu-Yen Lin	Female	2005.02.01	985	0.00%	0	0.00%	-	-	St.Cloud State MBA Senior associate vice president of the Sales Department of Catcher Technology Co., Ltd.	Chairman of Ke Yue Co., Ltd. (Representative) Chairman of Yi Sheng Co., Ltd. (Representative) Chairperson of Yi De Co., Ltd. (Representative) Director of Catcher Holdings International Inc. Director of Catcher Ventures Inc.	Vice President	Hsu-yuan Li	Spouse
Senior associate vice president	Taiwan	I-Fang Feng	Male	2018.10.08	0	0.00%	0	0.00%	-	-	International Business, National Taiwan University College of Management, National Taiwan University Synopsys Taiwan Co., Ltd. Inventec Group Associate vice president of the Sales Department of Catcher Technology Co., Ltd.	None	-	-	-

Title	Nationality	Name	Gender	Date elected/ap pointed	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/ work experience	Concurrent job position in other companies	Manager who is a spouse or second-degree relative of another manager		
					No. of shares	Shareholding's Ownership (%)	No. of shares	Shareholdings Ownership (%)	No. of shares	Shareholding ratio			Title	Name	Relationship
Assistant Vice President	Taiwan	Chih-Hsiung Lin	Male	2021.04.08	0	0.00%	0	0.00%	-	-	Bachelor and Master of Science from National Tsing Hua University Department of Materials Science and Engineering Egnineer/Manager/Associate Vice President of Catcher Technology Section head of the R&D Department, Catcher Technology (Suzhou) Manager of the R&D Department, TOPO Technology (Suzhou)	Director (representative) of Yi Sheng Co., Ltd.	-	-	-

Title	Nationality	Name	Gender	Date elected/ap pointed	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/ work experience	Concurrent job position in other companies	Manager who is a spouse or second-degree relative of another manager		
					No. of shares	Shareholding's Ownership (%)	No. of shares	Shareholdings Ownership (%)	No. of shares	Shareholding ratio			Title	Name	Relationship
Assistant Vice President	Taiwan	Hung-Ying Lee	Female	2021.07.12	0	0.00%	0	0.00%	-	-	Dual bachelor's degrees in Department of Law and Department of Political Science, National Taiwan University Master of Laws, University of Pennsylvania Lee and Li Attorneys at Law Associate vice president of the Legal Department, Cathay United Bank Company Limited Associate vice president of the Legal Office, Catcher Technology Co., Ltd.	Director, Bioteque Corporation (Representative)	-	-	-
Senior manager	Taiwan	Chin-Chung Chen	Male	2022.08.08	0	0.00%	0	0.00%	-	-	Bachelor of Accounting, National Chengchi University Passed the CPA examination Associate Vice President of the Audit Department, Deloitte & Touche Taiwan Director of the Finance Department, Getac Technology Corporation	Director of Pacific Hospital Supply Co., Ltd. (Representative)	-	-	-

(III) Remuneration for Directors, Independent Directors, President, and Vice Presidents

1. Remuneration for directors and independent directors (remuneration disclosed in the aggregate by remuneration range, with the names indicated)

December 31, 2022; Unit: Thousand NTD

Title	Name	Director's remuneration								Ratio of total remuneration (A+B+C+D) to net income		Remuneration for part-time employees								Ratio of total compensation (A+B+C+D+E+F+G) and to net profit after tax		Remuneration from reinvestments other than subsidiaries or the parent company
		Remuneration (A)		Severance Pay and Pension (B)		Director's remuneration (C)		Business expenses (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial	
Chairman Shui-Shu Hung President Tien-Szu Hung Director YungYu Investment Co., Ltd. Representative: Shui-Sung Hung Director Mon-Huan Le	-	-	-	-	15,800	15,800	583	583	16,383 0.15%	16,383 0.15%	11,940	11,940	307	307	7,048	-	82,911	-	35,678 0.33%	111,541 1.02%	None	
Independent Director Wen-Che Tseng Independent Director Tsorng-Juu Liang Independent Director Ming-Yang Cheng	-	-	-	-	2,400	2,400	445	445	2,845 0.03%	2,845 0.03%	-	-	-	-	-	-	-	-	2,845 0.03%	2,845 0.03%	None	

I) Please describe the policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:

Remuneration for the Company's independent directors is determined through a Board of Directors' resolution on the proposal submitted by the Remuneration Committee, which is based on an independent director's extent of participation in operations and his/her contribution value, the Company's operational performance, and the payment standard among industrial peers, in addition to Article 18-1 of the Company's Articles of Incorporation.

II) Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g., acting as a non-employee consultant) rendered to the Company:
None.

Note: The directors disclosed in the above table only include the incumbent directors as of the publication date of this annual report.

The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

Range of Remuneration Table

Directors' remuneration range	Name of director			
	Remuneration equal to the sum of A, B, C, and D		Remuneration equal to the sum of A, B, C, D, E, F, and G	
	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements
Under NT\$1,000,000	Mon-Huan Le /Wen-Che Tseng/ Tsorng-Juu Liang /Ming-Yang Cheng	Mon-Huan Le /Wen-Che Tseng/ Tsorng-Juu Liang /Ming-Yang Cheng	Mon-Huan Le /Wen-Che Tseng/ Tsorng-Juu Liang /Ming-Yang Cheng	Mon-Huan Le /Wen-Che Tseng/ Tsorng-Juu Liang /Ming-Yang Cheng
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Shui-Shu Hung/Tien-Szu Hung/YungYu Investment Co., Ltd.	Shui-Shu Hung/Tien-Szu Hung/YungYu Investment Co., Ltd.	YungYu Investment Co., Ltd.	YungYu Investment Co., Ltd.
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)			Tien-Szu Hung	Tien-Szu Hung
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)			Shui-Shu Hung	
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)				Shui-Shu Hung
Over NT\$100,000,000				
Total				

The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

2. Remuneration for the President and vice presidents (remuneration disclosed in the aggregate by remuneration range, with the names indicated)

December 31, 2022 Unit: Thousand NTD

December 31, 2022 Unit: Thousand NTD														
Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Remuneration from reinvestments other than subsidiaries or the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash Amount	Shares Amount	Cash Amount	Shares Amount			
Chairman	Shui-Shu Hung	20,418	20,418	918	918	2,656	2,656	12,123	-	87,985	-	0.33%	1.03%	None
President Vice President	Tien-Szu Hung Shih-te Huang Hsu-yuan Li Tang-lung Hsu Wen-chung Yeh													
President Vice President	Tien-Szu Hung Shih-te Huang Hsu-yuan Li Tang-lung Hsu Wen-chung Yeh													

Note: As of the publication date of this annual report, the Board of Directors was yet to approve the drafted proposal for earnings distribution for 2022. The amount of earnings to be distributed this year is based on the accrued distribution ratio last year.

※The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

Range of Remuneration Table

Range of Remuneration Paid to Presidents and Vice Presidents	Name of President and Vice Presidents	
	The Company	All companies included in the consolidated statements
Under NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Wen-chung Yeh	Wen-chung Yeh
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Tang-lung Hsu	Tang-lung Hsu
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Tien-Szu Hung/Shih-te Huang/Hsu-yuan Li	Tien-Szu Hung/Shih-te Huang/Hsu-yuan Li
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Shui-Shu Hung	
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)		Shui-Shu Hung
Over NT\$100,000,000		
Total		

The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

(III) Managerial Officer's Name and the Distribution of Employee Bonus

Data as at Saturday, December 31, 2022

Unit: Thousand NTD

	Title	Name	Share value	Cash value	Total	Percentage of total bonuses to net profit after tax (%)
Managers	Chairman	Shui-Shu Hung	0	21,283	21,283	0.20%
	President	Tien-Szu Hung				
	Vice President	Tang-lung Hsu				
	Vice President	Hsu-yuan Li				
	Vice President	Shih-te Huang				
	Vice President	Wen-chung Yeh				
	Senior associate vice president	Yu-yen Lin				
	Senior associate vice president	Shih-wei Li				
	Senior associate vice president	Mei-Hsing Chen				
	Senior associate vice president	I-fang Feng				
	Assistant Vice President	Chih-Hsing Lin				
	Assistant Vice President	Hung-Ying Lee				
	Senior manager	Chin-Chung Chen				

Note: As of the publication date of this annual report, the Board of Directors was yet to approve the drafted proposal for earnings distribution for 2022.

The amount of earnings to be distributed this year is based on the accrued distribution ratio last year.

※The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

(IV) Analysis, comparison, and description of the ratio of total directors’/the President’s/vice presidents’ remuneration paid by the Company and all companies in the consolidated financial statements in the most recent year to the net profit after tax; description of relevance of operational performance to the remuneration policy, criteria and portfolio, and determination procedures.

1. Analysis of the directors’/president’s/vice presidents’ total remuneration to the net profit after tax

Title \ Item	Ratio of total remuneration to net profit after tax				Increase (decrease) ratio	
	2022		2021			
	The Company	Consolidated financial statements in the financial report	The Company	Consolidated financial statements in the financial report	The Company	Consolidated financial statements in the financial report
	Director	0.48%	1.18%	0.69%	1.48%	(0.21%)
President						
Vice President						

Note: As of the publication date of this annual report, the Board of Directors was yet to approve the drafted proposal for earnings distribution for 2022. The amount of earnings to be distributed this year is based on the accrued distribution ratio last year.

2. The Company’s remuneration policy is stated in its internal personnel regulations, which were made based on the Company’s development strategy and the payment standard among industrial peers. The remuneration paid to the President and vice presidents for the most recent two years comprises salary, bonus, and employee compensation; salary and bonus are provided in accordance with the internal personnel regulations, while employee compensation is allocated by the Board of Directors in accordance with the Articles of Incorporation, approved by it, and then reported to the shareholders’ meeting.

III. Corporate Governance Practices

(I) Operations of the Board of Directors

Between January 2022 and December 2022, the Board of Directors held a total of 7 meetings (A); the attendance by director is stated as follows:

Title	Name	Actual attendance [B]	Attendance by proxy	Actual attendance rate (%) [B/A]	Notes
Chairman	Shui-Shu Hung	7	0	100.00%	Reelected on June 12, 2019
Director	Tien-Szu Hung	7	0	100.00%	Reelected on June 12, 2019
Representative of YungYu Investment Co., Ltd.	Shui-Sung Hung	7	0	100.00%	Elected on June 30, 2020
Director	Mon-Huan Le	6	1	86.00%	Reelected on June 12, 2019
Independent Director	Wen-Che Tseng	7	0	100.00%	Newly appointed on June 12, 2019
Independent Director	Tsornng-Juu Liang	7	0	100.00%	Newly appointed on June 12, 2019
Independent Director	Ming-Yang Cheng	7	0	100.00%	Newly appointed on June 12, 2019
<p>Other disclosures:</p> <p>I. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, independent director's opinions, and the Company's response to such opinions should be recorded:</p> <p>(I) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to page 29 for the important resolutions of Board of Directors meetings in 2022. All independent directors have approved the matters listed in Article 14-3 of the Securities and Exchange Act.</p> <p>(II) Aside from the above matters, other resolutions adopted by the board of directors to which an independent director has expressed objections or qualified opinions on record or in writing: None.</p> <p>II. Details, including names of directors, proposals, reasons for conflict of interest, and voting, of circumstances where directors recuse themselves due to conflict of interest:</p>					

Meeting date	Director	Content of proposal	Avoidance of conflict of interests; voting status
2022.02.24	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung Tsorng-Juu Liang	The Company proposes to donate to Catcher Educational Foundation	Director Shui-Shu Hung serves as Chairman of Catcher Educational Foundation; the spouse of Director Tsorng-Juu Liang serves as Director of the Foundation. Their second-degree relatives Shui-Sung Hung and Shui-Szu Hung shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending Directors of the Board.
2022.08.08	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung Tsorng-Juu Liang	The Company proposes to donate to Catcher Educational Foundation	Director Shui-Shu Hung serves as Chairman of Catcher Educational Foundation; the spouse of Director Tsorng-Juu Liang serves as Director of the Foundation. Their second-degree relatives Shui-Sung Hung and Shui-Szu Hung shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending Directors of the Board.
2022.08.08	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung	The Company proposes to distribute managers' compensation for 2021	Chairman Shui-Shu Hung and President Tien-Szu Hung are both Managers of Catcher Technology. Together with their second-degree relative Director Shui-Sung Hung, the three shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending Directors of the Board.

III. Programs this year and in the most recent year for strengthening the functionality of the Board (for example, setting up an auditing committee, improving transparency, etc.) and assessment of execution: The Company has established the Remuneration Committee on December 23, 2011, and the Audit Committee on June 13, 2013.

Implementation Status of the Evaluation of Board of Directors

The Company passed the Board of Directors Performance Evaluation Guidelines on November 9, 2019 through a resolution and it was implemented on January 1, 2020.

The Company has submitted the 2022 evaluation results to the Board of Directors on February 23, 2023.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
The Company's Board of Directors annually conducts performance evaluation of the Board of Directors and the Board members.	Saturday, January 1, 2022 to Saturday, December 31, 2022	Performance evaluation of the Board of Directors and the Board members	The evaluation was conducted by means of internal questionnaires, including self-evaluation questionnaires for the Board of Directors as a whole, and the self-evaluation questionnaires for each member of the Board of Directors	<p>The performance evaluation of the Board of Directors includes the following five aspects:</p> <ul style="list-style-type: none"> I. Level of participation in the Company's operations II. Improvement of the quality of the Board of Directors' decision making; III. Board composition and structure IV. Election and continuing education of the directors V. Internal control. <p>The performance evaluation of members of the Board of Directors includes the following six aspects:</p> <ul style="list-style-type: none"> I. Familiarity with the goals and missions of the Company; II. Understanding of director's responsibilities III. Level of participation in the Company's operations IV. Internal relationship management and communication V. Profession and continuing education of directors VI. Internal control.

(II) Operations of the Audit Committee

1. Operations of the Audit Committee

The Audit Committee assembled 6 times between January and December 2022. The attendance of members is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Notes
Audit Member	Wen-Che Tseng	6	0	100.00%	Newly appointed on June 12, 2019
Audit Member	Tsornng-Juu Liang	6	0	100.00%	Newly appointed on June 12, 2019
Audit Member	Ming-Yang Cheng	6	0	100.00%	Newly appointed on June 12, 2019

Other disclosures:

- I. The date of the Audit Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.
 - (1) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to page 72 for the important resolutions of Audit Committee meetings in 2022. All independent directors have approved the matters listed in Article 14-5 of the Securities and Exchange Act.
 - (2) Aside from the above matters, other resolutions that are passed by a two-thirds majority or more of the board of directors but without being passed by the Audit Committee: None.
- II. When there are recusals of independent directors due to conflicts of interests, names of the independent directors, contents of resolutions, reasons of recusal, and voting participation should be stated: None.
- III. Independent directors' communication with internal auditors and CPAs (shall include major matters, methods, and results of communication regarding the Company's financial position and business operations):
 - (I) The Company's Chief Internal Auditor regularly reports to and discusses with the Audit Committee members on audit matters and, after the monthly audit report was issued, immediately discusses and communicates with the same on any doubts they have. Communication between the Company's independent directors and Chief Internal Officers is good.
 - (II) The Company's attesting CPAs communicate mandatory matters and their review or audit results of the Company's financial statements at the Audit Committee meeting. Communication between the Company's independent directors and attesting CPAs is good.

(III) Corporate governance practices and discrepancies with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the company defined and disclosed its corporate governance best practice principles in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies</i> ?	✓		The Company has established the Code of Corporate Governance Practices on August 6, 2021 which are posted on the Corporate Governance section of the Company's website.	No significant difference.
II. Shareholding structure & shareholders' equity				
(I) Has the company defined internal operating procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures?	✓		(I) The Company has set up the positions of spokesperson, acting spokesperson, and investor relations personnel, who will, together with the Company's stock affairs agency and stock affairs personnel, deal with related issues.	No significant difference.
(II) Does the company have a list of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders?	✓		(II) The Company keeps close contact with major shareholders or their ultimate controllers and, via its investor relations personnel and stock affairs personnel, closely monitors any equity changes at any time.	
(III) Has the company established and implemented risk management and firewall systems within its conglomerate structure?	✓		(III) The Company has stipulated the "Regulations for Supervision of Subsidiaries" and implemented the regulations.	
(IV) Does the company have internal regulations in place to prevent its	✓		(IV) The Company has formulated the Procedures for Handling Material Inside Information, so as to establish a good mechanism for handling and	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
internal staff from trading securities based on information yet to be public on the market?			disclosing internal material information. The integrity principles are in accordance with related legal orders, regulations stipulated by TWSE, and the operating procedures to ensure the faithful implementation of operations and fulfill the obligations of good managers.	
<p>III. Composition and responsibilities of the board of directors</p> <p>(I) Have diversification policies and specific management goals been formulated and implemented by the Board of Directors according to director composition?</p> <p>(II) In addition to establishing a Remuneration Committee and an Audit Committee, which are required by law, is the company willing to voluntarily establish other types of functional committees?</p> <p>(III) Has the Company formulated the Board of Directors' Performance Evaluation Measures and evaluation methods, and conducted performance evaluation annually and regularly? Has the Company reported the results of performance evaluations to the Board of Directors, and used such results as a reference for individual directors'</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has established a "Code of Corporate Governance Practices" to set appropriate diversity guidelines. The Board of Directors consists of seven directors, including three independent directors. All directors have experience in management. The independent directors have professional financial and accounting analysis skills, as well as backgrounds as professors of electrical information and professionals from universities and colleges, and are responsible for the diversity of the members and their implementation.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee and will establish other functional committees if required by laws and regulations or operational needs.</p> <p>(III) On November 9, 2019, the Company's Board of Directors passed the "Board of Directors' Performance Evaluation Measures", which stipulated the performance evaluation method and that performance evaluation be conducted annually</p>	No significant difference.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
remuneration and nomination for reappointment? (IV) Does the company regularly evaluate the independence of CPAs?			in the manner prescribed. The Company already submitted the 2022 evaluation results to the Board of Directors on Thursday, February 23, 2023. I) The Company regularly assesses the independence of its appointed CPAs and reappoints CPAs on a rotational basis to ensure their independence.	
IV. Has the TWSE/TPEX listed company established a dedicated (concurrent) unit or personnel responsible for corporate governance matters (including but not limited to providing directors/supervisors with the information needed to perform their duties, organizing board meetings and shareholder meetings, carrying out and modifying business registration, and preparing board/shareholder meeting minutes)?	✓		The company's Board of Directors resolved to established positions of Corporate Governance Officer on May 5, 2021. On November 9, 2022, the Company appointed Associate Vice President Hung-Ying Lee as Corporate Governance Officer, who is responsible for corporate governance affairs, including conducting Board of Directors meeting and shareholders' meeting related matters in accordance with the law, providing information required by directors for their duties, assisting directors in appointment and continuing education, and assisting directors and supervisors to comply with laws and regulations, Corporate governance matters will be implemented against four principles, namely protecting shareholders' interest, enhancing Board of Directors functions, respecting stakeholders' interest, and improving information transparency, based on which the Company has strived to better its corporate governance framework and promoted related work, in the hope to fulfill the functions of the Board of Directors and other functional committees to protect investors' interest.	No significant difference.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?	✓		<p>The Company has established positions of spokesperson, acting spokesperson, and investor relations personnel, who are responsible for carrying out real-time communication with stakeholders via different channels (including mail, electronic forms, telephone, Email, and the Company's website). The Company has added the text "Stakeholders" in a clear position on the home page of the Company's website to help stakeholders quickly access the channels for different issues and receive responses in a suitable manner.</p> <p>In addition, the Company annually publishes its sustainability report and distributes questionnaires to stakeholders to survey their degree of concern over certain corporate social responsibility issues. The questionnaire includes: employees, customers, suppliers, investors and shareholders, community residents, government agencies, non-profit organizations, non-governmental organizations, and news media - so as to obtain a reference for the Company's disclosing its sustainability report and responding to issues that concern stakeholders.</p>	No significant difference.
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		<p>The Company has commissioned the Stock Affairs Agency Department of China Trust Commercial Bank to handle shareholders' meeting affairs.</p> <p>Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Taipei City</p> <p>Tel: (02)6636-5566</p>	No significant difference.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Website: https://ecorp.ctbcbank.com/cts/index.jsp	
<p>VII. Disclosure of Information</p> <p>(I) Has the company established a corporate website to disclose information regarding the company's financial, business, and corporate governance status?</p> <p>(II) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?</p> <p>(III) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the Q1, Q2 and Q3 financial reports and operating status of each month within the prescribed deadline?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's website is http://www.catcher-group.com. It is in Traditional Chinese, Simplified Chinese, and English. Information related to the Company's financial statements, management, corporate governance, corporate social responsibility, and investor conferences is periodically disclosed on the website. In addition, the Company regularly and irregularly announces the status of corporate governance implementation relating to finance and business affairs on the Company's website and TWSE's Market Observation Post System (MOPS). In other words, information on the Company's finance, business, and corporate governance can be queried at the Market Observation Post System (MOPS).</p> <p>(II) The Company has designated dedicated personnel (IR Department) to be in charge of disclosing information on the TWSE Market Observation Post System (MOPS), and on the Company's website (in English, Traditional Chinese, and Simplified Chinese). The Company has also established the positions of spokesperson, acting spokesperson, and the IR Department; relevant matters have been announced and the spokesperson system implemented. Furthermore, the Company has also assembled or participated in institutional investors'</p>	No significant difference.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			conferences and disclosed the conference time and materials on the Company's website and the Market Observation Post System (MOPS). (III) The Company discloses its annual financial statements, quarterly financial statements, and monthly operating performance statements within the prescribed time.	
VIII. Does the Company have other information that contributes to better understanding of its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)?	✓		(I) Implementation status of care for employees and their rights: The Company views human capital as an important asset and aims to care for employees and fulfill its social responsibilities. The Company strives to provide employees with a safe and comfortable work environment and reasonable remunerations. For other information, refer to the Labor Relations section of this annual report. (II) Implementation status of investor relations: The Company has set up the posts of spokesperson and acting spokesperson, a dedicated IR Department, and an official website in English and Chinese, provided contact information, disclosed operating performance at regular intervals, and participated in institutional investors' conferences (Tel: 02--27015900 extension: 2811; ADLINK website: www.catcher-group.com; Email : IR@catcher-group.com) 。 (III) Implementation status of supplier relations and customer policy: The Company has entered into contracts with customers and suppliers to protect	No significant difference.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>mutual rights and obligations, and maintains a good relation with them.</p> <p>(IV) Implementation status of stakeholders' rights: Stakeholders may communicate with and submit suggestions to the Company via mail, phone, fax, Email, the Company's website, FB, Line, and Weibo, so as to uphold their rights and interests. The methods for contacting stakeholders are also disclosed on the Company's website (http://www.catcher.com.tw/tw/company_contact.aspx)</p> <p>(V) Directors' continuing education The Company's directors all possess an industrial, professional background and operational and management experience. The Company also regularly provides them with courses on related professional knowledge and regulations and policy on operations, finance, and stock affairs. Independent directors have all completed the hours of continuing education in accordance with personal needs and as required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</p> <p>(VI) Implementation of risk management policies and risk assessment standards: The Company holds a Board of Directors meeting at least annually to monitor its operational and risk management. For more information, refer to the Risk Management</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>section of the Annual Report.</p> <p>(VII) The Company has purchased related liability insurance for directors and managers.</p> <p>(VIII) The Company's shareholders' meeting has adopted an electronic voting system to improve information transparency and protect shareholders' interest.</p> <p>In conclusion, the Company has already implemented related operations as required by law and will establish a system for each item based on the Company's scale, future development plan, and the spirit of corporate governance. The Company is about to publish its sustainability report for 2022, which will help stakeholders understand the Company's governance operation and important information.</p>	
<p>IX. Explain improvements made according to Corporate Governance Evaluation results released in the most recent year by the Corporate Governance Center of Taiwan Stock Exchange and provide priorities to be reinforced and measures among those pending improvement.</p> <p>The Company's priorities and measures for the issues that were identified in the most recent Corporate Governance Evaluation but yet to be improved are as follows:</p> <p>(一) Has the Company formulated its own Corporate Governance Best Practice Principles and had the same passed by the Board of Directors? On August 6, 2021, the Company formulated the Code of Corporate Governance Practices to fulfill the spirit of corporate governance, thereby pursuing the optimal shareholders' equity and corporate sustainable management.</p> <p>(二) Has the Company set up a chief corporate governance officer to take charge of corporate governance affairs, and disclosed such officer's roles and duties, highlight of implementation for that year, and continuing education on the Company's website? On May 5, 2021, the Company set up the post of Chief Corporate Governance Officer, who would be responsible for corporate governance affairs, including conducting Board of Directors meeting and shareholder meeting related matters in accordance with law, preparing minutes of Board of Directors meetings and shareholder meetings, assisting directors and supervisors in continuing education, providing information necessary for</p>				

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
directors and supervisors to perform their duties, and assisting directors and supervisors to comply with laws and regulations, (三)Does the Company disclose the discussions and resolutions of the Remuneration Committee and the Company’s response to the opinions of the committee members on the annual report? The Company has disclosed at its website (http://www.catcher-group.com/tw/investor_governance_cm.aspx) the meeting date, motion content, and resolutions of the Remuneration Committee, and the Company's handling of the Remuneration Committee’s opinions.				

(IV) Members of the Remuneration Committee

1. The Company established the Remuneration Committee through a resolution adopted at the Board of Directors meeting dated December 23, 2011 in accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange; the Remuneration Committee Charter was formulated at the same time, which can be consulted on the Market Observation Post System (MOPS).

2. Members of the Remuneration Committee

Identity Type (Note 1)	Name	Qualifications	Professional Qualifications and Experiences	Independence status (note)	Number of other public companies in which the member also serves as a member of their remuneration committee
Convener (independent director)	Wen-Che Tseng	EMBA, National Cheng Kung University Executive vice president/Director of Tax Affairs Department, Deloitte & Touche Has over 30 years of professional experience required for the Company's operations and does not meet any of the conditions stated in Article 30 of the Company Act.		The shareholdings of the person, person's spouse, or relative within the second degree of kinship (or using the name of others) and the ratio: 0 shares, 0%	3
Committee member (independent director)	Tsorng-Juu Liang	Ph.D., Department of Electrical Engineering, University of Missouri Deputy Dean, College of Electrical Engineering and Computer Science, National Cheng Kung University Has over 20 years of professional experience required for the Company's operations and does not meet any of the conditions stated in Article 30 of the Company Act.		The shareholdings of the person, person's spouse, or relative within the second degree of kinship (or using the name of others) and the ratio: 0 shares, 0%	

Committee member (independent director)	Ming-Yang Cheng	Ph.D., Department of Electrical Engineering, University of Missouri Specially Appointed Professor, Department of Electrical Engineering, National Cheng Kung University Has over 20 years of professional experience required for the Company's operations and does not meet any of the conditions stated in Article 30 of the Company Act.	The shareholdings of the person, person's spouse, or relative within the second degree of kinship (or using the name of others) and the ratio: 0 shares, 0%	
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Note:

1. Including, but not limited to, whether the person, person's spouse, or their relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliates.
2. Have not served as directors, supervisors, or employees of companies with specific relationships with the Company (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange).
3. The remuneration received for not providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years.

3. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three members.
- (2) The term of office of the current members: June 12, 2019, to June 11, 2022. The Remuneration Committee assembled 2 times between January and December, 2022. The attendance of members is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate (%) (B / A)	Notes
Convener	Wen-Che Tseng	2	0	100%	Newly appointed on June 12, 2019
Committee member	Tsornng-Juu Liang	2	0	100%	Newly appointed on June 12, 2019
Committee member	Ming-Yang Cheng	2	0	100%	Newly appointed on June 12, 2019
Other disclosures:					
I. Describe the date, term, agenda, and resolutions of the board meeting and the response to the Remuneration Committee's recommendations where the board did not adopt or modify the Remuneration Committee's recommendations (e.g., describe the difference and reasons where the board of directors approves a better compensation package than what is recommended by the Remuneration Committee): None.					
II. If a member opposes a resolution the Committee has adopted or has qualified opinions for which there is a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be indicated: None.					

4. The discussions and resolutions of the Remuneration Committee are as follows:

Date	Content of proposal	Resolutions
2022.02.24	<ol style="list-style-type: none"> 1. To assess the Company's payment and structure of remunerations and salary for directors and managers. 2. To review the earnings distribution proposal regarding employee and director remuneration in 2021. 3. Board performance evaluation results and Board member performance evaluation results. 	Approved and passed by all committee members. Reported to the Board of Directors and disclosed on the Company's website, as required.
2022.08.08	<ol style="list-style-type: none"> 1. The Company intends to distribute employee compensation for managers of 2021. 2. The Company intends to distribute remuneration for directors of 2021. 	Approved and passed by all committee members and, as required, reported to the Board of Directors.

(V) Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviations

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		The Company established the Corporate Social Responsibility Task Force, which was renamed as the Sustainable Development Office in 2022. It executes sustainable development affairs such as formulating sustainable development performance criteria in conjunction with supporting departments, such as the Audit Office, Occupational Safety Office, Strategic Procurement Division, Sales and Marketing Department, IR Department, and Quality Assurance Department, so as to properly respond to stakeholders expectations in daily operations, and regularly reports to the Chairperson on any implementation plans and implementation results of any material issues.	No significant difference.
II. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly? (Note 2)	✓		The Company has long been engaged with the ESG field. A material issues analysis and risk assessment is carried out for issues that materially affect the Company's investors and other stakeholders, and relevant goals and policies based on the analysis and assessment results are formulated. For details, refer to the Material Issues Analysis section or the management policy specified in each chapter of the Company's sustainability report, or the Risk Management section of this annual report.	No significant difference.
III. Environmental topics (I) Has the company developed an appropriate environmental management system, given its	✓		Since 2009, the Company has obtained ISO 14001 environmental management system certification, which is certified and renewed annually by a third	No significant difference.

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
distinctive characteristics?			party in accordance with ISO standards. By employing management systems, Catcher has constructed internal environmental management model to protect the environment, prevent risks, raise environmental awareness, and build a good corporate image, thereby fulfilling its environmental responsibilities.	
(II) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		We are committed to improving the utilization of energy and resources and promoting sustainable development. Therefore, through our industry-leading advanced manufacturing processes and technology development capabilities, we take resource saving and efficiency enhancement as key considerations at the early stage of process development and design to achieve energy saving and reduce raw material consumption, as well as self-developed and optimized resource utilization technologies, enhanced circular economy and waste recovery and reuse methods, to gradually and effectively increase the use of recycled metals and raw materials.	No significant difference.
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The Company understands the potential impact of energy use and greenhouse gas emissions on the environment, and has independently assessed the potential risks and adaptation strategies of climate change on the present and future of the Company, as detailed in the chapter of "Sustainable Management" in the Sustainability Report. In addition, the Company has taken the initiative to conduct greenhouse gas inventory operations since	No significant difference.

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons															
	Yes	No	Summary																
			2015 to effectively grasp the greenhouse gas emission situation at the plant and identify possible reduction space by emission sources to implement energy and greenhouse gas management policies.																
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		<p>The Company totaled greenhouse gas emissions, water consumption, and total weight of waste, based on which it has formulated the policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, and other waste management. For details, refer to the Environment Common Good chapter of the sustainability report of the most recent two years.</p> <p>The Company has quantified its greenhouse gas emissions, including direct emissions (Scope 1), indirect emissions (Scope 2), and all other indirect emissions (Scope 3). Scope 3 currently only involves diesel inventory for outsourced transportation.</p> <p>Greenhouse gas emissions in the past two years Unit: Metric tons of CO₂e</p> <table border="1"> <thead> <tr> <th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Gross emissions</th></tr> </thead> <tbody> <tr> <td>2022</td><td>7,830.12</td><td>62,666.86</td><td>37.96</td><td>70,534.95</td></tr> <tr> <td>2021</td><td>7,682.413</td><td>63,938.736</td><td>1974.9811</td><td>71,685.1301</td></tr> </tbody> </table> <p>The Company has long been focused on water and energy conservation environmental protection</p>	Year	Scope 1	Scope 2	Scope 3	Gross emissions	2022	7,830.12	62,666.86	37.96	70,534.95	2021	7,682.413	63,938.736	1974.9811	71,685.1301	No significant difference.
Year	Scope 1	Scope 2	Scope 3	Gross emissions															
2022	7,830.12	62,666.86	37.96	70,534.95															
2021	7,682.413	63,938.736	1974.9811	71,685.1301															

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																		
	Yes	No	Summary																			
			<p>issues. In terms of the water conservation plan, the Company continues to recycle the process water for reuse to improve the water reuse rate, reduce tap water consumption, and effectively utilize water resources.</p> <p>Water consumption in the past two years Unit: ton</p> <table><tr><th>Year</th><th>Total water usage</th></tr><tr><td>2022</td><td>1,398,773</td></tr><tr><td>2021</td><td>1,327,796</td></tr></table> <p>※The water use was measured using the tap water meter.</p> <p>The Company strictly distinguishes between and stores general waste and hazardous industrial waste, and continues effective waste management by means of source reduction, safe storage, proper disposal, and responsible follow-up.</p> <p>Waste production in the past two years Unit: ton</p> <table><tr><th>Year</th><th>Hazardous Waste</th><th>Non-hazardous waste</th><th>Total weight</th></tr><tr><td>2022</td><td>1971.71</td><td>11587.55</td><td>11,648.264</td></tr><tr><td>2021</td><td>1958.23</td><td>10976.876</td><td>11,024.106</td></tr></table>	Year	Total water usage	2022	1,398,773	2021	1,327,796	Year	Hazardous Waste	Non-hazardous waste	Total weight	2022	1971.71	11587.55	11,648.264	2021	1958.23	10976.876	11,024.106	
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Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
IV. Social topics (I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		The Company always abides by the Labor Standards Act and related international regulations, and has formulated the Social Responsibility Management Procedures. By resorting to such management regulations and procedures that specify the rights and obligations of each department and employees at each job rank, the Company fulfills legal requirements and ensures employees' interest. Through an internal control mechanism in the form of a regular audit, the Company enhances improvements by tracking the results, so as to build a friendly work environment.	No significant difference.
(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		The Company offers diversified employee benefits measures to retain talents. As such, employees can dedicate themselves to work, continually progress, and reach a balance between body, mind, and spirit. Aside from formulating a remuneration system that is market competitive and properly reflects operational results, the Company also subsidizes dinner parties and group meals, provides cash gifts and allowances, and organizes employee events (such as gift tickets for arts and cultural activities, exhibition, and family days.)	No significant difference.

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		The Company has obtained the certificate of the latest version of ISO 45001 Occupational Health and Safety Management Systems, attesting to the establishment of more specific procedures and systems for occupational health and safety, e.g., continuous workplace hazardous risks evaluation and improvement as well as control of human-factor engineering hazards such as fire, dust, and noise. The Company also abides by rules pertaining to labor health protection. Health checks for employees carrying out general or hazardous operation are provided and any health abnormality is tracked. Training sessions on work safety and health knowledge are provided, so as to create a safer and healthier work environment.	No significant difference.
(IV) Does the Company have in place effective tools to help employees with career planning and development?	✓		The Company has planned a diversified educational and training system, in that it always adheres to the principles and rules of the Talent Quality-Management System (TTQS), e.g., the Company links trainings to organizational development, strategies, and an employee's shortfall of work capability. The Company plans on-job training, work mentoring, job rotation, lectures, and online learnings for employees, and trains them on professional skills and occupational competency that they would required at different career stages, so as to enhance their career development.	No significant difference.

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	✓		Upholding the philosophy of ethical management, the Company has followed relevant laws, regulations, and international guidelines (e.g., RoHS and UL labeling standards) in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services. The Company has also formulated internal regulatory procedures, strictly demanding that its personnel not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests. Any complaint can be addressed swiftly to protect the Company's goodwill and prevent recurrence of similar problems.	No significant difference.
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		The Company has urged that all suppliers fulfill their corporate social responsibility commitments. Corporate social responsibility includes the following aspects: forced or involuntary labor, child labor, remuneration and benefits, working hours, anti-discrimination, health and safety, environmental protection, and ethical conduct. From 2015 onwards, the Company has been auditing suppliers' corporate social responsibility implementation by criteria such as customer category and transaction scale. The Company audited 15 important suppliers in 2022 and will continue the audit work annually.	No significant difference.
V. Does the company prepare sustainability reports and other reports that disclose non-financial	✓		The Company's 2021 Sustainability Report published in June 2022 disclosed non-financial	No significant difference.

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?			information in accordance with the Global Reporting Initiative Standards, the latest international standard. Future sustainability reports will also be prepared in accordance with international reporting standards. The report is yet to be assured by a certification institution, but the financial data contained therein comes from the annual report attested by an accounting firm. To attain credibility, the Company regards obtaining certification for its report as a goal worth future endeavor.	
<p>VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i>:</p> <p>Starting in 2014, the Company refers to related international standards (such as: SA 8000, RBA) and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies to formulate and internally promulgate its Social Responsibility Management Procedures, against which corporate social responsibility should be fulfilled. As such, such procedures are highly compatible with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. By establishing, documenting, implementing, and maintaining these procedures, the Company has met the legal requirements and customer requirements in terms of labors, health and safety, environment, ethical regulations, and management systems.</p>				
<p>VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <p>The Company established the Sustainable Development Office for compiling the sustainability report. Sustainability reports for 2014 to 2021 have been published and are posted on the external website for viewing by stakeholders. The report for 2022 is under preparation. Through the preparation and discussion process in compiling each year's report, the Company expects to link sustainable development issues to key performance indicators formulated by each department, so that they can further formulate implementation strategies that would meet the performance indicators, thereby fulfilling the Company's economic, social, and environmental visions.</p>				

(VI) Implementation of ethical corporate management and measures and departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons

1. The Company has been striving to step wisely establish a governance system that fits its current circumstance, and has established an internal control system, as well as an internal audit debarment that will ensure effective implementation of related operation. The Company has assigned dedicated personnel to be responsible for attending to changes in important policies and laws, both at home and abroad, at any time, and suggesting and planning responsive measures by consulting legal and accounting experts where appropriate. Such responsive measures serve as the principles for the Company's implementing ethical management and have been implemented in internal management and external business activities.

2. The implementation of ethical corporate management

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Has the company implemented a board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the board of directors and management towards enforcement of such policy?</p> <p>(II) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the <i>Ethical Corporate Management Best Practice Principles for</i></p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's Board of Directors approved and passed the "Ethical Management Policy" in March 2021, which stipulated specific methods of ethical management. In addition, the 7 Board of Directors members and 10 senior managers have pledged to implement ethical management policy. They have even executed a letter of committeemen in order to establish a role model of ethical business conduct. All ethical management conduct is disclosed in the Company's website and sustainability report at regular intervals.</p> <p>(II) For operating activities that have higher unethical risks, e.g., procurement and construction work, and for potential misconduct, e.g., bribing and taking bribes, improper donation or sponsorship, and</p>	No significant difference.

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p><i>TWSE/TPEX Listed Companies?</i></p> <p>(III) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>			<p>offering or acceptance of unreasonable presents, or hospitality, or other improper benefits. the Company has formulated the Ethical Management Policy to prevent their occurrence. The Company also disseminates such policy through various channels and all 4,055 Taiwanese and foreign employees have signed the Letter of Commitment to Ethical and Integral Conduct. In addition, multiple channels, such as audit, employee complaint mechanism, and suppliers whistle blowing system, have also been established to effectively prevent the occurrence of unethical conduct.</p> <p>III) Employees conducting unethical conduct will be subject to disciplinary actions to various extent corresponding to their extent of violation; such disciplinary actions will be reflected in their performance evaluation. Coupled with the complaint system, the accounting system, and the internal control system, the risk of violating laws and ethical regulations will be reduced. In terms of supplier management, the Company demands that all collaborating suppliers agree to comply with the Supplier Code of Conduct (including integrity policy) formulated by the Company, so as to implement prevention of unethical conduct in every respect.</p>	

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?</p> <p>(III) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?</p> <p>(IV) Does the Company have effective accounting and internal control systems in place to implement business ethics, and does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit systems accordingly to prevent unethical conduct, or engage CPAs to perform such audits?</p> <p>(V) Does the Company provide regular internal and external training on ethical corporate management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) Prior to dealing with any supplier, the Company has already evaluated their ethical history, and demanded that they understand the Company's requirements for ethical conduct. Violators will be subject to the Company's terminating or canceling the contract, and to punishment prescribed in the contract. The Company also specifies a supplier whistleblowing channel on its official website.</p> <p>(II) The Company's Legal Office is responsible for promoting, organizing, and implementing corporate social responsibility affairs, while the Audit Office is responsible for auditing the implementation and regularly reporting the audit results. The Legal Office reported the status of annual implementation and operation to the Board of Directors on November 9, 2022.</p> <p>(III) To actively prevent conflict of interest, the Company has established the Social Responsibility Management Procedures and the Work Rules, which demand that employees not engage in malpractice. In addition, the Company has also formulated the Operating Procedures for Employee Complaints and Suggestion, which specifies a complaint and whistleblowing channel, of which the implementation is checked, where appropriate, through an internal audit.</p>	No significant difference.

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>(IV) To fulfill ethical management, the Company has established an effective accounting system and internal control system. The Company has also set up the post of dedicated internal auditor who will conduct regular audit to assist the Board of Directors and managers in inspecting and reviewing defects identified in the internal control systems as well as measuring operational effectiveness and efficiency, thereby facilitating the Company's ethical management.</p> <p>(V) To make employees aware of its commitment to and requirements for ethical management, the Company arranges for new employees to attend a training course on corporate social responsibility as soon as they start working in the Company, during which the regulations for integrity management and ethical management are disseminated. In 2022, 1,066 new employees have completed the training, with a coverage rate of 100%. In addition, internal ethical management education and training sessions are organized periodically for current employees, or employees are sent for external training. Organization of ethical management education and training in 2022: Confidentiality agreement and anti-bribery clauses (592 people, 118.4 hours in total, 100% training completion rate), ethical management</p>	

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			education and training (2,625 people, 525 hours in total, 100% training completion rate), internal major information processing and insider trading (249 people, 49.8 hours in total, 100% training completion rate) and ethical management and business secret protection (2,617 people, 785.1 hours in total, 100% training completion rate).	
III. Implementation of the Company's whistleblowing system (I) Does the company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported malpractices? (II) Does the company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures? (III) Has the company provided proper whistleblower protection?	✓ ✓ ✓		(I) The Company has formulated the Whistleblowing Regulations, which specifies a convenient and accessible complaint and whistleblowing channel. External: http://www.catcher.com.tw/tw/company_contact.aspx audit@catcher-group.com Internal: http://www1.catcher.com.tw/wp-content/uploads/2022/01/Employee_opinion_channel.pdf audit@catcher-group.com After acceptance of a complaint case, the dedicated unit should assign a dedicated person to address the follow-up measures to the principal. Additionally, a supplier whistleblowing channel is provided and the Company's Audit Office is responsible for investigations. (II) The Company's Whistleblowing Regulations specifies the operating procedures of the whistleblowing system:	No significant difference.

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>1. The Company encourages internal and external personnel to report unethical behavior or misconduct, and rewards them with money according to the severity of the circumstance concerned; insiders having made a false report or malicious accusation shall be subject to disciplinary action.</p> <p>2. The Company has internally established and publicly announced on its website an independent mailbox for insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <p>(1) The whistleblower's name, telephone number, and e-mail address.</p> <p>(2) The informed party's name or other information sufficient to distinguish its identifying features.</p> <p>(3) Specific facts available for investigation.</p> <p>3. The Company's personnel handling the reported matters shall keep the identity of the whistleblower and the reported content confidential.</p> <p>(III) The Company commits to protecting whistleblowers from improper treatment for reporting matters in the "Whistleblowing Regulations" and from dismissal, transfer, or other improper punishments due to whistleblowing in the "Operating Procedures for Employee Complaints and Suggestion". All</p>	

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			personnel shall refrain from retaliatory actions towards the whistleblowers.	
IV. Information disclosure improvement (I) Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	✓		The content of ethical management policy and the implementation results thereof have been disclosed in this annual report and the sustainability report. The Company's official website also discloses the principles and regulations to be adhered to when fulfilling social responsibilities, including its commitment to ethical management, compliance with business ethics, and fair competition.	No significant difference.
V. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> : None.				
VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management: (Such as reviewing and revising its ethical business codes, etc.) 1. By complying with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, regulations governing TWSE/TPEX listed companies, and other laws and regulations governing business conduct, the Company has established a basis for implementing ethical management. 2. The Company's Rules of Procedure for the Board of Directors' Meetings specifies a conflicting interest recusal system for directors, stating that where an agenda item at a Board of Directors meeting involves the interest of a director or the legal person represented by a director and such interest conflicts with the Company's interest, such a director may present his/her opinions and answer any inquiry, but shall not participate in discussion or voting; he/she shall recuse himself/herself from discussion and voting, and shall not exercise the voting rights on other director's behalf. 3. The Company's Procedures for Handling Material Inside Information, which has been informed to employees, managers, and directors in writing, or via internal notice or courses, stipulates that (a) relevant personnel informed of material insider information not confide such information to others; (b) relevant personnel not inquire about or collect any non-public material insider information not related to their individual duties from a person with knowledge of such information; and (c) relevant personnel not confide to others any material insider information they acquired for reasons other than performing their duties.				

(VII) If the Company has formulated a corporate governance code of conduct and related guidelines, the method of access to such code and guidelines must be disclosed

Query is available on the Company's website and the Market Observation Post System (MOPS).

(VIII) Other important information useful for the understanding of corporate governance practices

The Company convenes a Board of Directors meeting at least quarterly, and has established the Remuneration Committee, which functions well. To advance its corporate governance, in 2013, the Company started having its independent directors elected at a general shareholders' meeting and established the Audit Committee.

(IX) Status of implementation of the internal control system

1. Statement on Internal Control

Catcher Technology Co., Ltd. Statement of Internal Control System

Date: Thursday, February 23, 2023

The Company hereby makes the following statement about its internal control system for the year 2022 based on the assessments it performed:

- I. The Company takes recognizance of the fact that the establishment, execution, and maintenance of its internal control system are the responsibilities of the Company's Board of Directors and managers; such policies have been implemented throughout the Company. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance, and security of assets), reliability, promptness, and transparency of reports, and compliance with relevant regulatory requirements in reaching compliance targets.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the three aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in Governing Regulations for Public Company's Establishment of Internal Control System (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The measures based on which to evaluate the internal control system adopted under the Governing Regulations are its five underlying elements, namely: 1. control environment, 2. risk assessment and reaction, 3. control process, 4. information and communication, and 5. supervision. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.
- IV. The Company has adopted the aforementioned measures for an evaluation of the effectiveness of the design and implementation of the internal control system.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of Saturday, December 31, 2022 (including the supervision and management of subsidiaries), with a understanding of the extent to which the objectives of effectiveness and efficiency of

operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.

- VI. This statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Company's Board of Directors on Thursday, February 23, 2023. Of the 7 directors present, 0 had objections, and the rest all agreed with the content of this statement and hereby declare the same.

Catcher Technology Co., Ltd.

Chairman: Shui-Shu Hung

President: Tien-Szu Hung



2. Those who entrust an accountant to review the internal control system must disclose the accountant's review report: N/A.

- (X) **Disciplinary actions imposed by law on the company or its employees, disciplinary actions imposed by the company on its employees for violation of internal control regulations, and deficiencies and improvements in the most recent year and up to the publication date of this Annual Report:**

None.

- (XI) **Important resolutions of the shareholders' meeting and board of directors in the most recent year and up to the publication date of this Annual Report**

1. Shareholders' Meeting

Date	Name	Content of proposal	Resolution results/implementation
2022.05.27	2022 General Shareholders' Meeting	<p>©2021 Business Report and Financial Statements.</p> <p>©2021 earnings distribution proposal.</p> <p>©The Company's issuance of common shares or participation in issuing global depository receipts for raising capital.</p> <p>©Amendment to the Company's Articles of Incorporation.</p> <p>©Amendments to the Company's Rules of Procedure for Shareholders' Meetings.</p> <p>©Amendments to the Procedure for the Acquisition or Disposal of Assets.</p> <p>©Full re-election of directors.</p> <p>©Proposal on releasing the Company's new directors and their representatives from the non-competition restrictions.</p>	<p>All matters for ratification and matters for discussion were approved by the shareholders present through resolution.</p> <p>There were no other motions or extempore motions.</p> <p>Except for the planned cash capital increase for raising working capital or the issuance of overseas depository receipts, which was not implemented due to consideration of the economic situation, the rest of the matters passed through resolution have been implemented.</p>

2. Board of Directors

Date	Important motion contents	Resolution results/implementation
2022.02.24	<ul style="list-style-type: none"> ◎ The Company intends to distribute remuneration to employees and directors of 2021. ◎ The Company's individual and consolidated financial statements for 2021. ◎ The Company's 2021 Business Report ◎ Full re-election of directors. ◎ Amendments to parts of the Company's Article of Incorporation. ◎ To assess the Company's payment and structure of remunerations and salary for directors and managers. ◎ The Company intends to invest in the subsidiary in Singapore by injecting capital to the investee in Cayman. ◎ Stipulated the capital reduction base date for stock cancellation. ◎ The Company intends to donate to Catcher Educational Foundation. ◎ The Company's 2021 Statement of Internal Control System. ◎ The Company's regular assessment of CPAS' independence. ◎ Affairs relating to the convention of the 2022 general shareholders' meeting and to the nomination of shareholders and acceptance of shareholders' proposals. 	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p> <p>The motion on donation was approved by all directors present, excluding the directors who recused themselves due to conflict of interest.</p>
2022.04.06	<ul style="list-style-type: none"> ◎ The Company intends to buy its shares back. ◎ The Company's earnings distribution proposal for 2021. ◎ To raise working capital, the Company intends to issue common shares or participates in issuing global depository receipts. ◎ Proposal to approve the list of director (including independent director) candidates nominated by the Board of Directors. ◎ Proposal on releasing the Company's newly elected directors and their representatives from the non-competition restrictions. ◎ Amendment to parts of the Company's Rules of Procedure for Shareholders' Meetings. ◎ Amendments to parts of the Company's Procedures for the Acquisition or Disposal of Assets. ◎ Additional motion on the causes for convening the 2022 annual general shareholders' meeting. 	<p>Motions for discussion were approved by directors in attendance. There were no other motions or extempore motions.</p>
2022.05.10	<ul style="list-style-type: none"> ◎ Report on the Company's first quarter consolidated financial statements for 2022. ◎ Reported the implementation status of the stock buyback by the Company. ◎ Proposal to remove non-compete clause for managers of the Company. ◎ Greenhouse gas inventory and verification disclosure schedules. 	<p>Motions for discussion were all approved by directors present. There were no other motions or extempore motions.</p>

2022.05.27 (1st meeting)	<ul style="list-style-type: none"> ◎ Change of the Company's Accounting Manager. 	Motions for discussion were all approved by directors present. There were no other motions or extempore motions.
2022.05.27 (2nd meeting)	<ul style="list-style-type: none"> ◎ Nomination and election of the chairperson of the Company. ◎ Appointment of the members of the Company's 6th Remuneration Committee. 	Motions for discussion were all approved by directors present. There were no other motions or extempore motions.
2022.08.08	<ul style="list-style-type: none"> ◎ Reported the implementation status of the stock buyback by the Company. ◎ The Company's second quarter consolidated financial statements for 2022. ◎ Change of the Company's Accounting Manager. ◎ The Company intends to distribute remuneration for directors of 2021. ◎ The Company intends to distribute employee compensation for managers of 2021. ◎ The Company intends to donate to Catcher Educational Foundation; ◎ Stipulated the capital reduction base date for stock cancellation. ◎ Ratification of the Company's participation in the SLP VII private equity fund. 	Motions for discussion were all approved by directors present. There were no other motions or extempore motions. The motion on donation was approved by all directors present, excluding the directors who recused themselves due to conflict of interest.
2022.11.09	<ul style="list-style-type: none"> ◎ The Company's earnings distribution proposal for the first half of 2022. ◎ The Company's third quarter consolidated financial statements for 2022. ◎ The Company's business plan for 2023. ◎ 2023 audit plans for the Company and its subsidiaries. ◎ Change of the Company's corporate governance officer. ◎ Amendment to parts of the Company's Procedures for Handling Material Inside Information ◎ Stipulation of the Company's Sustainability Report Preparation and Verification Operating Procedures. 	Motions for discussion were all approved by directors present. There were no other motions or extempore motions.

(XII) Dissenting or qualified opinions of directors or supervisors against an important resolution passed by the board of directors that are on record or stated in a written statement in the past year and up to the printing date

of this annual report: None.

(XII) For the most recent year or the current year up to the date of publication of the annual report, summary of the resignation and dismissal of the Company's chairperson, presidents, accounting officer, finance officer, internal audit officer, Corporate Governance Officer, and R&D officer who are related to the financial statements:

Title	Name	Starting date	End date	Reason for the change
Accounting Manager:	Mei hsing Chen	1998/03/26	2022/06/01	Retirement
Accounting Manager:	Wen-chung Yeh	2021/01/04	2022/08/08	Resignation
Corporate Governance Officer	Tang-Lung Hsu	2020/10/26	2022/10/01	Resignation

IV. Compensation for the service of the external auditor

(I) For fees paid to certifying accountants, the firm of the certifying accountants, and its affiliates, if non-audit fees exceed 25% of the audit fees then the amount of the audit and non-audit fees should be disclosed along with the nature of the non-audit service

Unit: Thousand NTD

Name of accounting firm	Name of accountants	Accountant's duration of audit	Audit fee	Non-audit fee					Notes
				System design	Business registration	Human resources	Other	Subtotal	
Deloitte, Taiwan	Hung-ju Liao Chi-chen Li	2022.01.01~2022.12.31	5,600	-	-	-	2,338	7,938	

Note: Mainly the service fee for transfer pricing reports.

(II) If the accounting firm has been changed and the annual audit fees were lower for the year of the firm change compared to that of the previous year, audit fees before and after the changes and the reason for such changes should be disclosed:

N/A.

(III) If the audit fees have decreased by more than 15% compared to the previous year, the amount, ratio, and reason for the reduction in audit expense should be disclosed:

N/A.

V. Information on Changes to Accountants

N/A.

VI. Circumstances in which the chairperson, president, or officers in charge of financial or accounting matters of the Company has worked in the firm of the CPA or its affiliated companies within the last year:

None.

VII. Assessment of the attesting CPAs

- (I) The Company's Finance Department annually assesses the independence of attesting CPAs. A CPA's independence is affirmed if such a CPA is not a director of the Company, does not hold any position in the Company, and is not a stakeholder of the Company.
- (II) The investigation conducted by the Company's investor services unit confirmed that the CPA does not hold any shares in the Company.
- (III) The Company obtains the Statement of Independence issued by the accounting firm.
- (IV) The Company submits the results of its assessment of the independence of attesting CPAs to the Audit Committee for review and to the Board of Directors for resolution.

VIII. Changes to equity transfer or pledge loan of directors, managers, and major shareholders whose shareholding ratio exceeds 10% in the most recent year and up to the printing date of the Annual Report

1. Changes in equity

Data as at Tuesday, February 28, 2023

Title	Name	2022		As at the current year up to February 28	
		Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares
Chairman	Shui-Shu Hung	-4,000,000(Note)	0	0	0
President	Tien-Szu Hung	0	0	0	0
Corporate director	YungYu Investment Co., Ltd.	0	0	0	0
Representative of Institutional Director	Shui-Sung Hung	0	0	0	0
Director	Mon-Huan Le	0	0	0	0
Independent	Wen-Che	0	0	0	0

Director	Tseng				
Independent Director	Tsornng-Juu Liang	0	0	0	0
Independent Director	Ming-Yang Cheng	0	0	0	0
Vice President	Hsu-yuan Li	0	0	0	0
Vice President	Shih-te Huang	0	0	0	0
Senior associate vice president	Yu-yen Lin	0	0	0	0
Senior associate vice president	Shih-wei Li	0	0	0	0
Senior associate vice president	I-fang Feng	0	0	0	0
Assistant Vice President	Chih-Hsing Lin	0	0	0	0
Assistant Vice President	Hung-Ying Lee	0	0	0	0
Assistant Vice President	Pei Chen	0	0	0	0
Associate Vice President	Xiao-chen Liang	0	0	0	0
Senior manager	Chin-Chung Chen	0	0	0	0

Note : No. of shares includes shares under trust with discretion reserved.

2. Equity transfer: None.

3. Equity pledged: None.

IX. Information on the top 10 shareholders who are related to each other under SFAS No. 6 or are spouses or relatives within the second degree of kinship

Relationship among the top 10 shareholders in terms of shareholding ratio

September 11, 2022; Unit: Shares/%

Name	Shareholding		Shares held by spouse and underage children		Combined shares held in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Title (or Name)	Relationship	
Taishin International Bank Co., Ltd. is entrusted with the Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Fund Special Account for the Cathay Pacific Taiwan High Dividend Umbrella Securities Investment Trust Fund	30,978,000	4.34%	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	24,514,000	3.43%	-	-	-	-	-	-	-
Yi-Ting Hung (Kai Li Investment Co., Ltd.)	18,609,869	2.60%	-	-	-	-	-	-	-
Finance Department of Mega International Commercial Bank	16,250,000	2.27%	-	-	-	-	-	-	-
Su-mei Kuo	15,364,013	2.15%	10,661,889	1.49%	-	-	Tien-Szu Hung	Second-degree relative	-
Chen-mei Lin	14,409,961	2.02%	10,704,834	1.50%	-	-	Shui-Shu Hung	Second-degree relative	-
Citibank Taiwan acting as the custodian of the investment account of the Singapore government	11,081,541	1.55%	-	-	-	-	-	-	-
Tien-Szu Hung	10,661,889	1.49%	15,364,013	2.15%	-	-	Su-mei Kuo	Second-degree relative	-
Mei-Fen Huang (YungYu Investment Co., Ltd.)	10,283,871	1.44%	-	-	-	-	-	-	-
Vanguard Emerging Markets Stock Index Fund under custody of JP Morgan Chase Bank N.A. Taipei Branch	10,279,956	1.44%	-	-	-	-	-	-	-

Note 1 : No. of shares includes shares under trust with discretion reserved.

Note 2: Data on this table is the data available at the nearest book closure date prior to the publication date of this annual report.

X. The total number of shares and the consolidated equity stake percentage held in any single investee enterprise by the Company, its directors, managerial officers, or any companies controlled either directly or indirectly by the Company

As of the publication date of this annual report, all investee enterprises are directly invested by the Company, rather than jointly invested by the Company and its directors, managers, or any other company directly or indirectly controlled by the Company.

Chapter 4. Fund-raising

I. Capital and Shares

(I) Source of Capital

1. Type of shares

February 28, 2023 / Unit: 1,000 shares

Type of shares	Authorized capital			Note
	Outstanding shares (Note)	Unissued shares	Total	
Registered common shares	714,467	285,533	1,000,000	Listed shares

2. Source of capital

Unit: NT\$1,000 / 1,000 shares

Year. month	Issuance price (NT\$)	Authorized capital		Paid-in capital		Notes		
		No. of shares	Amount	No. of shares	Amount	Source of capital	Shares acquired by non-cash assets	Other
1984.11	1,000	2	2,000	2	2,000	Incorporation of NT\$2,000 thousand	None	None
1986.06	1,000	5	5,000	5	5,000	Follow-on offering of NT\$3,000 thousand	None	None
1990.06	1,000	15	15,000	15	15,000	Follow-on offering of NT\$10,000 thousand	None	None
1992.10	1,000	25	25,000	25	25,000	Follow-on offering of NT\$10,000 thousand	None	None
1994.06	1,000	40	40,000	40	40,000	Follow-on offering of NT\$15,000 thousand	None	None
1996.06	—	80	80,000	80	80,000	Surplus capital increase of NT\$20,000 thousand Recapitalization of capital surplus NT\$20,000 thousand	None	Note 1
1997.04	36	30,000	300,000	16,000	160,000	Follow-on offering of NT\$80,000 thousand	None	Note 2
1997.06	—	30,000	300,000	19,200	192,000	Recapitalization of earnings of NT\$32,000 thousand	None	Note 3
1998.12	—	32,703	327,030	32,703	327,030	Recapitalization of earnings of NT\$135,030 thousand (including employee bonus in the amount of NT\$630 thousand)	None	Note 4
1999.05	50	70,000	700,000	48,054.2	480,542	Cash capital increase of NT\$20,000 thousand Recapitalization of earnings of NT\$133,512 thousand (including employee bonus in the amount of NT\$2,700 thousand)	None	Note 5
2000.02	165	70,000	700,000	56,054.2	560,542	Follow-on offering of NT\$80,000 thousand	None	Note 6
2000.06	—	110,000	1,100,000	84,441.3	844,413	Recapitalization of earnings of NT\$283,871 thousand (including employee bonus in the amount of NT\$3,600 thousand)	None	Note 7
2001.09	—	118,000	1,180,000	102,049.6	1,020,496	Recapitalization of earnings of NT\$176,083 thousand (including employee bonus in the amount of NT\$7,200 thousand)	None	Note 8

2002.10	—	210,000	2,100,000	133,738.3	1,337,383	Recapitalization of earnings and capital surplus of NT\$316,887 thousand (including employee bonus in the amount of NT\$10,738 thousand)	None	Note 9
2003.09	—	210,000	2,100,000	155,099.0	1,550,990	Recapitalization of earnings of NT\$213,607 thousand (including employee bonus in the amount of NT\$13,000 thousand)	None	Note 10
2004.09	—	270,000	2,700,000	187,658.8	1,876,588	Recapitalization of earnings of NT\$325,598 thousand (including employee bonus in the amount of NT\$15,400 thousand)	None	Note 11
2005.03	—	270,000	2,700,000	188,146.9	1,881,469	Conversion of Euroconvertible bonds of NT\$4,881 thousand	None	Note 12
2005.07	—	270,000	2,700,000	199,763.6	1,997,636	Overseas corporate bonds converted to NT\$116,167 thousand	None	Note 13
2005.09	—	570,000	5,700,000	282,161.6	2,821,616	Recapitalization of earnings NT\$782,328 thousand (including employee bonus in the amount of NT\$29,740 thousand) Conversion of Euroconvertible bonds of NT\$41,652 thousand	None	Note 14
2006.02	—	570,000	5,700,000	283,723.7	2,837,237	Conversion of Euroconvertible bonds of NT\$15,621 thousand	None	Note 15
2006.04	—	570,000	5,700,000	293,644.4	2,936,444	Conversion of Euroconvertible bonds of NT\$99,208 thousand	None	Note 16
2006.07	—	570,000	5,700,000	294,603.6	2,946,036	Conversion of Euroconvertible bonds of NT\$9,591 thousand	None	Note 17
2006.09	—	570,000	5,700,000	414,076.5	4,140,765	Capitalization of profits of NT\$1,194,729 thousand (including employee bonus in the amount of NT\$25,000 thousand)	None	Note 18
2006.11	—	570,000	5,700,000	414,136.4	4,141,364	Conversion of Euroconvertible bonds of NT\$599 thousand	None	Note 19
2007.03	—	570,000	5,700,000	414,147.5	4,141,475	Conversion of Euroconvertible bonds of NT\$110 thousand	None	Note 20
2007.10	—	1,000,000	10,000,000	541,591.6	5,415,917	Recapitalization of earnings of NT\$1,274,442 thousand (including employee bonus in the amount of NT\$32,000 thousand)	None	Note 21
2008.11	—	1,000,000	10,000,000	599,715.9	5,997,159	Recapitalization of earnings of NT\$581,242 thousand (including employee bonus in the amount of NT\$39,650 thousand)	None	Note 22
2009.9	—	1,000,000	10,000,000	664,908.5	6,649,085	Recapitalization of earnings of NT\$651,926 thousand (including employee bonus in the amount of NT\$52,210 thousand)	None	Note 23
2011.05	—	1,000,000	10,000,000	675,175.1	6,751,751	Conversion of the first issuance of domestic convertible bonds of NT\$102,666 thousand	None	Note 24
2011.06	—	1,000,000	10,000,000	723,795.8	7,237,958	1. Conversion of the first issuance of domestic convertible bonds of NT\$151,206 thousand 2. Global depository receipts of NT\$335,000 thousand	None	Note 25

2011.10	—	1,000,000	10,000,000	750,433.7	7,504,337	Conversion of the first issuance of domestic convertible bonds of NT\$225,152 thousand Conversion of the second issuance of domestic convertible bonds of NT\$41,227 thousand	None	Note 26
2012.02	—	1,000,000	10,000,000	750,639.4	7,506,394	Conversion of the first issuance of domestic convertible bonds of NT\$2,057 thousand	None	Note 27
2012.04	—	1,000,000	10,000,000	750,691.4	7,506,914	Conversion of the first issuance of domestic convertible bonds of NT\$519 thousand	None	Note 28
2012.05	—	1,000,000	10,000,000	750,699.2	7,506,992	Conversion of the first issuance of domestic convertible bonds of NT\$78 thousand	None	Note 29
2012.08	—	1,000,000	10,000,000	750,703.1	7,507,031	Conversion of the first issuance of domestic convertible bonds of NT\$39 thousand	None	Note 30
2014.04	—	1,000,000	10,000,000	751,662.8	7,516,628	Conversion of the second issuance of domestic convertible bonds of NT\$9,597 thousand	None	Note 31
2014.08	—	1,000,000	10,000,000	760,494.0	7,604,940	Conversion of the second issuance of domestic convertible bonds of NT\$88,312 thousand	None	Note 32
2014.11	—	1,000,000	10,000,000	767,423.7	7,674,237	Conversion of the second issuance of domestic convertible bonds of NT\$69,297 thousand	None	Note 33
2015.03	—	1,000,000	10,000,000	770,391.1	7,703,911	Conversion of the second issuance of domestic convertible bonds of NT\$29,674 thousand	None	Note 34
2020.08	—	1,000,000	10,000,000	761,618.1	7,616,181	First repurchase of shares for retirement of 8,773 thousand shares	None	Note 35
2022.03	—	1,000,000	10,000,000	746,085.1	7,460,851	Second repurchase of shares for retirement of 15,533 thousand shares	None	Note 36
2022.03	—	1,000,000	10,000,000	729,753.1	7,297,531	Third repurchase of shares for retirement of 16,332 thousand shares	None	Note 36
2022.08	—	1,000,000	10,000,000	714,467.1	7,144,671	Fourth repurchase of shares for retirement of 15,286 thousand shares	None	Note 37

Note

- 1 : Approval document No.: Jian-San-Ji No. 215114 dated August 16, 1996
- 2 : Approval document No.: Jien-San (86) No. 107326 dated May 27, 1997
- 3 : Approval document No.: Jien-San (86) No. 116009 dated Thursday, August 28, 1997
- 4 : Approval document No.: Tai-Cai-Zheng-1-Zi (87) No.98840 dated November 26, 1998
- 5 : Approval document No.: Tai-Cai-Zheng (88) (I) No.30979 dated April 6, 1999
- 6 : Approval document No.: Tai-Cai-Zheng (88) (I) No.101893 dated December 9, 1999
- 7 : Approval document No.: Tai-Cai (89) (I) No. 42070 dated May 16, 2000
- 8 : Approval document No.: Tai-Cai (90) (I) No. 144155 dated Wednesday, July 11, 2001
- 9 : Approval document No.: Tai-Cai (I) No. 0910134316 dated June 25, 2002
- 10 : Approval document No.: Tai-Cai (I) No. 0920126413 dated Monday, June 16, 2003
- 11 : Approval document No.: Tai-Cai (I) No. 0930126017 dated June 11, 2004
- 12 : Approval document No.: Jing-Shou-Shang No. 09401045320 dated March 21, 2005
- 13 : Approval document No.: Jing-Shou-Shang No. 09401139810 dated Thursday, July 21, 2005
- 14 : Approval document No.: Jing-Shou-Shang No. 09401177590 dated Thursday, September 8, 2005
- 15 : Approval document No.: Jing-Shou-Shang No. 09501027910 dated Thursday, February 16, 2006
- 16 : Approval document No.: Jing-Shou-Shang No. 09501075300 dated Tuesday, April 25, 2006
- 17 : Approval document No.: Jing-Shou-Shang No. 09501159860 dated Wednesday, July 26, 2006
- 18 : Approval document No.: Jing-Shou-Shang No. 09501206950 dated Tuesday, September 12, 2006
- 19 : Approval document No.: Jing-Shou-Shang No. 09501247950 dated Friday, November 3, 2006
- 20 : Approval document No.: Jing-Shou-Shang No. 09601045320 dated Tuesday, March 6, 2007

21 : Approval document No.: Jing-Shou-Shang No. 09601242380 dated Wednesday, October 3, 2007
22 : Approval document No.: Jing-Shou-Shang No. 09701278820 dated Monday, November 3, 2008
23 : Approval document No.: Jing-Shou-Shang No. 09801230170 dated Wednesday, October 7, 2009
24 : Approval document No.: Jing-Shou-Shang No. 10001087800 dated Monday, May 2, 2011
25 : Approval document No.: Jing-Shou-Shang No. 10001133750 dated Tuesday, June 28, 2011
26 : Approval document No.: Jing-Shou-Shang No. 10001246030 dated Wednesday, October 26, 2011
27 : Approval document No.: Jing-Shou-Shang No. 10101015910 dated Thursday, February 2, 2012
28 : Approval document No.: Jing-Shou-Shang No. 10101056300 dated Monday, April 2, 2012
29 : Approval document No.: Jing-Shou-Shang No. 10101093520 dated Friday, May 25, 2012
30 : Approval document No.: Jing-Shou-Shang No. 10101169120 dated Thursday, August 16, 2012
31 : Approval document No.: Jing-Shou-Shang No. 10301090650 dated Wednesday, May 21, 2014
32 : Approval document No.: Jing-Shou-Shang No. 10301184600 dated Thursday, September 4, 2014
33 : Approval document No.: Jing-Shou-Shang No. 10301248990 dated Wednesday, December 3, 2014
34 : Approval document No.: Jing-Shou-Shang No. 10401061390 dated Tuesday, April 21, 2015
35 : Approval document No.: Jing-Shou-Shang No. 10901133690 dated Wednesday, August 12, 2020
36 : Approval document No.: Jing-Shou-Shang No. 11101042430 dated Monday, March 22, 2021
37 : Approval document No.: Jing-Shu-San No. 11101168650 dated Monday, August 29, 2022

3. Information of Shelf registration: None.

(II) Shareholder Structure

Par value: NT\$10 per share / the latest book closure date: September 11, 2022

Structure Quantity	Government agencies	Financial institutions	Other legal persons	Foreign institutions & individuals	Individual investors	Treasury shares	Total
Number of shareholders	0	42	251	858	53,486	0	54,637
Number of shares held	0	123,885,200	62,686,329	301,237,311	226,658,228	0	714,467,068
Shareholding percentage	0.00%	17.34%	8.77%	1953.17%	31.72%	0%	2011.00%

Note: Data in this table refers to those available at the latest book closure date prior to the publication date of this annual report.

(III) Share Distribution

1. Changes in ordinary share ownership

The latest book closure date: September 11, 2022

Class of shareholding	Number of shareholders	Number of shares held	Shareholding percentage
1-999	12,099	2,383,848	0.33%
1,000-5,000	35,818	67,175,746	9.40%
5,001-10,000	3,579	27,791,716	3.89%
10,001-15,000	1,067	13,557,612	1.90%
15,001-20,000	553	10,078,803	1.41%
20,001-30,000	454	11,600,838	1.62%
30,001-40,000	204	7,277,113	1.02%
40,001-50,000	131	6,016,263	0.84%
50,001-100,000	248	17,419,772	2.44%
100,001-200,000	159	21,748,640	3.04%
200,001-400,000	118	33,013,932	4.62%
400,001-600,000	47	23,558,129	3.30%
600,001-800,000	31	21,729,826	3.04%
800,001-1,000,000	18	16,027,774	2.24%
Over 1,000,001 shares	111	435,087,056	60.91%
Total	54,637	714,467,068	100.00%

Note: Data in this table refers to those available at the latest book closure date prior to the publication date of this annual report.

2. Changes in preferred share ownership: Not available.

(IV) Major Shareholders

September 11, 2022; Unit: shares / %

Share Name	Number of shares held	Shareholding ratio
Taishin International Bank Co., Ltd. in custody for the Special Account of Taiwan ESG Sustainability High Dividend Yield ETF Securities Investment Trust Fund for Cathay Taiwan High Dividend Yield Umbrella Securities Investment Trust Fund	30,978,000	4.34%
Cathay Life Insurance Co., Ltd.	24,514,000	3.43%
Yi-Ting Hung (Kai Li Investment Co., Ltd.)	18,609,869	2.60%
Finance Department of Mega International Commercial Bank	16,250,000	2.27%
Su-Mei Kuo	15,364,013	2.15%
Chen-Mei Lin	14,409,961	2.02%
Citibank (Taiwan) in custody for Government of Singapore Investment Corporation	11,081,541	1.55%
Tien-Szu Hung	10,661,889	1.49%
Mei-Fen Huang (YungYu Investment Co., Ltd.)	10,283,871	1.44%
JP Morgan Chase Bank N.A. (Taipei Branch) in custody for Vanguard Emerging Markets Stock Index Fund	10,279,956	1.44%

Note: Data in this table refers to those available at the latest book closure date prior to the publication date of this annual report.

(V) Market price, net worth, earnings, dividends and related information

Unit: NT\$ / 1,000 shares

Item		Year	2021	2022	As of Feb. 28, 2023
Market price per share	Highest		218.00	189.00	190.00
	Lowest		147.00	140.50	168.00
	Average		185.13	166.49	182.20
Net worth per share	Before distribution		198.76	232.05	(Note 1)
	After distribution		189.18	(Note 2)	(Note 1)
Earnings per share	Weighted average shares		758,241	720,239	(Note 1)
	Earnings per share		11.31	15.14	(Note 1)
Dividends per share	Cash dividends		10.00	(Note 2)	(Note 1)
	Stock dividends	From retained earnings	0.00	(Note 2)	(Note 1)
		From capital reserves	-	-	(Note 1)
	Accumulated un-appropriated dividends		-	-	(Note 1)
Return on investment	Price to earnings ratio (Note 3)		15.95x	-	(Note 1)
	Price to dividend ratio (Note 4)		18.04x	(Note 2)	(Note 1)
	Cash dividend yield (Note 5)		5.54%	(Note 2)	(Note 1)

Note 1: Up until the printing date of this annual report, the financial statements for the first quarter of 2023 that have been reviewed by independent auditors were not available.

Note 2: Up until the printing date of this annual report, the shareholders' meeting has yet to approve the earnings distribution proposal for 2022. The related information will be accessed via multiple channels such as the Market Observation Post System (MOPS) after the convention of the shareholders' meeting.

Note 3: Price to earnings ratio = Average market closing price / Earnings per share.

Note 4: Price to dividend ratio = Average market closing price / Cash dividends per share.

Note 5: Cash dividend yield rate = Cash dividend per share / Average market closing price.

(VI) Dividend Policy and Implementation

1. Dividend policy

The surplus distribution or loss of the Company shall be paid after the end of each semi-annual accounting year. If there is a surplus in the first half of the accounting year, the distribution shall be as follows:

1. Pay taxes;
2. Make up for accumulated losses;
3. Estimate the retention of employees and directors' compensation;
4. A statutory surplus reserve of 10% is provided; however, when the statutory surplus accumulation has reached the total capital of the company, this is not the limit;
5. To provide or revolve special surplus reserves in accordance with the company's operational needs and statutory requirements;
6. If there is still surplus, plus the accumulated undistributed surplus in the previous period and the undistributed surplus adjustment in the current period, the board of directors proposes to distribute the proposal.

If there are earnings on the final account at the end of the annual fiscal period, they shall be used in the following order of priority:

1. 1. Pay taxes and duties;
2. 2. Compensate accumulated losses;
3. 3. Allocation of the 10% legal reserve. this may be exempted if the legal reserve has already reach the Company's paid-in capital.
4. 4. Provide or reverse special reserves according to business or legal requirements.
5. 5. If there is still any remainder, it shall be added to the undistributed earnings accumulated in the previous period and the adjustments of the undistributed earnings of the current period to form the distributable earnings, with which the Board of Directors shall propose a earnings distribution proposal. Where earnings are to be distributed in share dividends, such distribution may be made only after being submitted to and approved by the shareholders' meeting.

The Company is still in its growth stage, therefore, its dividend policy shall be determined pursuant to such factors as the economy, growth potential, sustainability, and long-term development. The steadiness and growth of dividends will be also taken into account. The amount of employee bonus for 2021 through 2023 (distributed in 2022 through 2024) shall not be less than 50% of the post-tax profit of that given year. Cash dividends shall not be below ten percent (10%) of the total dividends; however, when the cash dividends fall below NT\$0.5 per share, dividends may still be distributed in the form of stocks.

In accordance with Paragraph 5, Article 240 of the Company Act, the Company shall authorize the distributable dividends and bonus in whole or in part, or in accordance with Paragraph 1, Article 241

of the Company Act, the legal reserve or capital reserve in whole or in part, to be paid in cash, pursuant to a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

1. Current-year dividend distribution proposal to shareholders' meeting

As of the publication date of this annual report, the Board of Directors had yet to approve the amount to be distributed as dividends. Related information can be accessed via multiple channels such as the Market Observation Post System (MOPS) after the convention of the shareholders' meeting.

2. Explanation provided when a significant change in dividend policy is expected: None.

(VII) Effect of stock grants proposed in the latest shareholders' meeting on the Company's business performance and earnings per share: N/A

(VIII) Employees' remuneration and directors' remuneration

1. Percentage or scope of remuneration of employees and directors stipulated in the Articles of Incorporation:

If the Company has earnings at the end of any fiscal year, it shall allocate no less than 1% of such earnings as employee remuneration, which may be distributed in shares or cash, subject to the resolution of the Board of Directors. The recipient of such distribution shall include employees of a controlled or affiliated company who meet certain criteria, which shall be formulated by the Board of Directors. In addition, the Company may allocate no greater than 1% of the said earnings as director remuneration, subject to the resolution of the Board of Directors. The employee remuneration proposal and director remuneration proposal shall be submitted and reported to the shareholders' meeting. However, if the Company still has accumulated losses, an amount equal to such losses shall be reserved in advance, and the remainder may then be distributed as employee remuneration and director remuneration according to the percentage mentioned in the preceding paragraph.

The parties eligible to receive the transfer of shares repurchased by the Company, employees stocks option, employees' subscription right to newly issued shares, and restricted shares shall include employees of a controlled or affiliated company who meet certain criteria, which shall be formulated by the Board of Directors.

2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the difference, if any, between the actual distributed amount and the estimated figure, for the current period: No significant deviation

3. Employees' remuneration proposal approved by the Board of Directors

The Company amended its Articles of Incorporation at the 2019 annual general shareholders' meeting to align with the amendment of the laws and regulations.

According to the Articles of Incorporation of the Company, if the Company was profitable during the year, no less than 1% of the profit shall be allocated as employee remuneration first, and no more than 1% may be allocated as remuneration for directors and supervisors.

On February 23, 2023, the Company's Board of Directors passed the employee remuneration proposal and the director remuneration proposal for 2022, the details of which are stated in the following table. If the estimated amount differs from the actual distributed amount, such a difference is treated as a change in accounting estimates and recognized at the year in which distribution is made.

Remuneration	Board of Directors resolutions (as of February 23, 2023)
	Amount (NT\$ thousand)
Employee remuneration (in cash)	155,823
Director remuneration (in cash)	18,200
Total	174,023

Note: The amount of the said employee remuneration and director remuneration recognized as expense agrees with the amount distributed by the Board of Directors.

4. Earnings of the previous year distributed as employee bonus and director/supervisor' remuneration

The earnings distribution proposal for 2021 approved by the annual general shareholders' meeting on May 27, 2022 and actual distributed amount are as follows:

Unit: NT\$1,000 / share

Item	Shareholders' Meeting resolution Amount actually distributed	Original Board resolutions Amount actually distributed	Difference
Distribution status			
1. Employee remuneration			
(1) Monetary amount of stock dividends	-	-	-
Shares of stock dividends	-	-	-
Reference price taken into consideration the ex-dividend effect and the ex-right effect	-	-	-
(2) Amount of cash dividend	521,976	521,976	None
2. Director's remuneration	16,400	16,400	None

(IX) Share buyback

1. The share buyback programs completed as of February 28, 2023

Buyback trench	First	Second	Third	Fourth
Purpose	Safeguard shareholders' interests	Safeguard shareholders' interests	Safeguard shareholders' interests	Safeguard shareholders' interests
Period	2020/03/19~ 2020/05/15	2021/09/22~ 2021/11/15	2021/12/10~ 2022/02/08	2022/04/07~ 2022/05/30
Price range	NT\$132.00~ NT\$354.20	NT\$109.20~ NT\$256.80	NT\$106.80~ NT\$238.50	NT\$102.20~ NT\$220.50
Type of shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
Quantity	8,773,000 shares	15,533,000 shares	16,332,000 shares	15,286,000 shares
Amount	NT\$1,796,022,500	NT\$2,533,308,500	NT\$2,560,843,500	NT\$2,307,209,000
Shares bought back to shares planned to be bought back	35%	62%	65%	61%
Retired and transferred shares	8,773,000 shares	15,583,000 shares	31,865,000 shares	15,286,000 shares
Accumulated shares	0 shares	0 shares	0 shares	0 shares
Accumulated shares to total outstanding shares	0%	0%	0%	0%

2. The share buyback program in process before the annual report is published

Buyback trench	Fifth
Purpose	Safeguard shareholders' interests
Period	2023/02/01~2023/03/31
Price range	NT\$124.60~NT\$262.50
Type of shares	Ordinary shares
Quantity	36,000,000 shares
Amount already bought back	NT\$1,623,874,500
Shares bought back to shares planned to be bought back	1.22%
Retired and transferred shares	8,773,000 shares
Accumulated shares	0 shares
Accumulated shares to total outstanding shares	0%

II. Corporate Bonds

(I) Issuance of corporate bonds: None.

(II) Conversion of corporate bonds: None.

(III) Exchange of corporate bonds: None.

(IV) Declaration summary of corporate bond issuance: None.

(V) Corporate bonds with stock options: None.

III. Issuance of Preferred Stocks: None.

(I) Preferred Stocks: None.

(II) Preferred Stocks with stock options: None.

IV. Issuance of Global Depositary Receipts (GDR)

Date of Issuance			June 8, 2011
Item			
Date of issuance			June 8, 2011
Location of issuance and trading			Euro MTF (EMTF)
Total amount issued			Approximately US\$220,028 thousand raised
Price per GDR			US\$32.84 (around NT\$189 per share)
Offering			6,700,000 units
Represented securities			Common shares from rights issues
Number of represented securities			Total number of GDRs: 6,700,000 Unit (each GDR represents the Company's 5 common shares; 33,500,000 common shares issued)
Rights and obligations of depositary receipt holders			Same as those of holders of the Company's common shares
Trustee			N/A
Depositary			JPMorgan Chase Bank, N.A., USA
Custodian			JPMorgan Chase Bank, N.A., Taipei Branch
Unredeemed amount			21,058 units as of February 28, 2023.
Distribution method for the fees during the issuance and retention period			Issuance expenses: assumed by the issuing company Expenses incurred during the outstanding period: assumed by the issuing company
Important contractual terms			Refer to the depositary contract and the custodian contract for more details
Market price per unit	2022	Highest	30.6
		Lowest	24.2
		Average	27.5
Market price per unit	As of February 28, 2023	Highest	31.4
		Lowest	27.8
		Average	30.1

V. Issuance of Employee Stock Options and Restricted Stock Awards: None.

VI. Mergers and Acquisitions, or Acquisition of Shares of Other Companies,

Resulting in the Issuance of New Shares: None.

VII. Capital Deployment Plans: None.

Chapter 5. Business Overview

I. Business activities

(I) Business scope

1. Major Business Activities

- (1) Manufacturing, Processing, and Trading of Die and Mechanisms/Cosmetic Parts
- (2) Manufacturing, Processing and Trading of Surface Treatment of Various Alloy Products
- (3) Import and Export of the Aforementioned Raw Materials and Products

2. Major product lines and their revenue weight

Unit: Thousand NTD

Product lines	Net operating revenue for 2022	Business breakdown:
Product sales revenue	27,801,362	99.93%
Other	19,167	0.07%
Total	27,820,529	100.00%

3. Major lines of products (services)

- (1) Enclosure cases and internals: Various lines of products.
- (2) Others: Other sales revenue.

4. Planned new products (services)

- (1) Development and manufacturing of special magnesium alloys, aluminum alloys, stainless steel, titanium alloy enclosure cases, composite materials, and bounding mechanisms; development of mechanisms bounding technology.
- (2) Development of surface treatment technologies for novel metals and non-metallic materials.
- (3) Development of computer, communication, and consumer electronics using high-performance metals and non-metallic materials.
- (4) Bonding technology on different materials and its applications
- (5) Development, surface treatment, and applications of ultra-light, ultra-thin composite materials
- (6) Design and R&D of enclosure cases using metallic and non-metallic composites that have a property of low communication interference and low electromagnetic interference.
- (7) Application of environmental friendly surface treatment technologies to metallic and composite cosmetic parts.
- (8) Metallic and non-metallic materials and powders that can be used for manufacturing of mechanisms.
- (9) Heat dissipation mechanism solutions.
- (10) Design and manufacturing of automotive products.
- (11) Thermal/electrical/mechanical designs of medical products and components related to material

application designs.

(12) Medical device assembly and sterilization calibration CMO/CDMO services.

(II) Industry Overview

1. Industry conditions and development; product trend

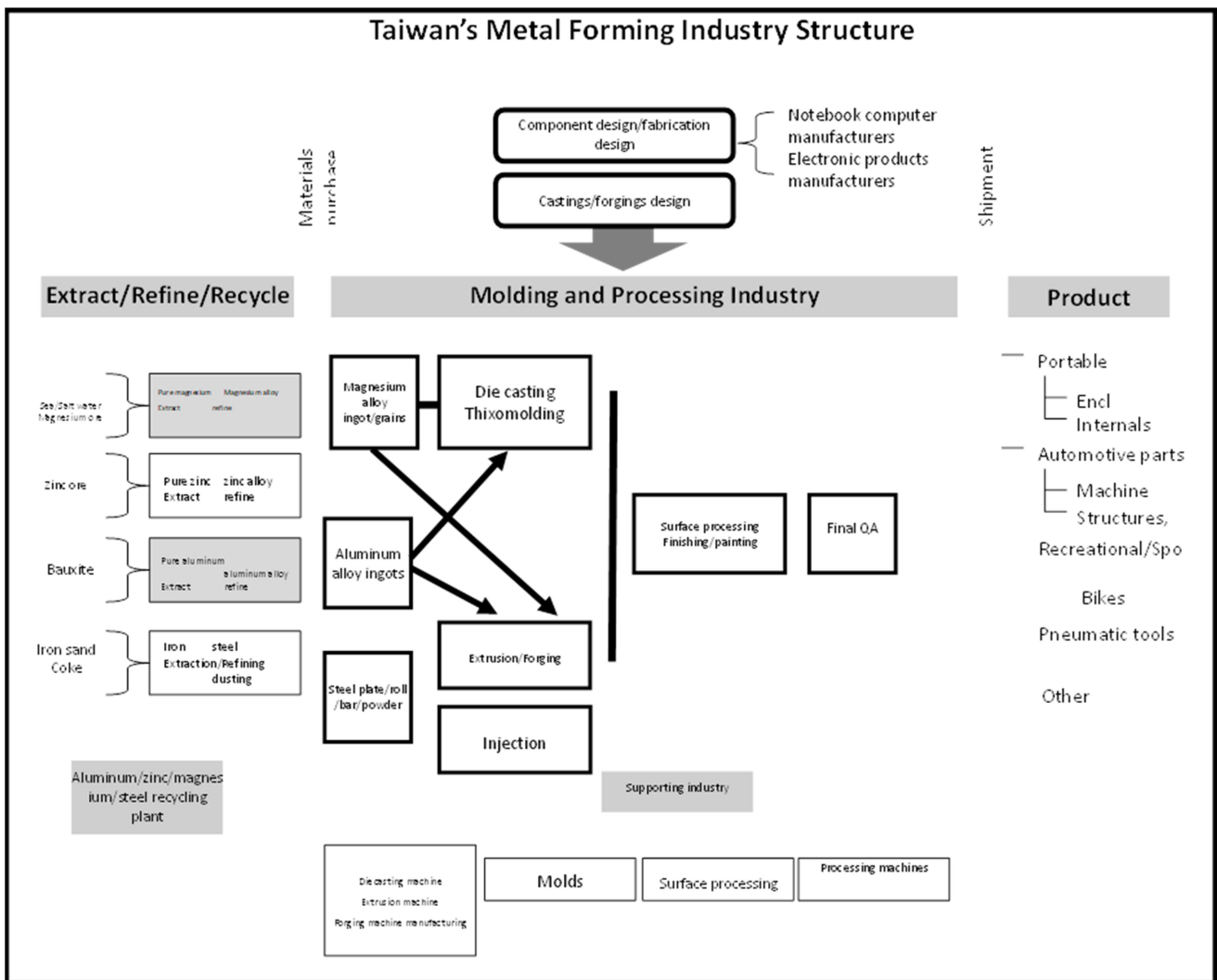
Among the various materials and technologies available for producing mechanisms, metals provide the best structure, strength and complete protection. Among high-end products, it is the metallic mechanism for which there is a complete supply chain, available mass production capacity, and a cost-effective advantage. Aside from existing technologies such as die casting, stamping, and forging, metallic products made using the unibody technology are not only characterized by fashionably high quality, but also have properties such as thinness, simplicity, and sturdiness that are incomparable with other materials. Metals are also green materials. They can be completely recycled and reused during the production process or after the end of the product lifecycle, reducing the strain on Earth's resources. Coupled with the production capacity needs for large volumes of products, the developability of materials, production methods, and designs of mechanisms is gradually increasing.

With the rapid growth of minimally invasive surgeries, the high degree of integration of minimally invasive medical devices and the one-time medical device certification introduced by the US FDA presents unlimited potential for Taiwanese manufacturers, which play an important role in the global manufacturing supply chain. Taiwan's industry has evolved from conventional manufacturing by plastics and chemicals manufacturers in the early days to precision manufacturing by electronics and semiconductors manufacturers nowadays. If new technologies can be introduced, and the core capabilities of different industries can be integrated, high-end minimally invasive medical devices can be developed.

The International Energy Agency (IEA) estimates that global sales of electric vehicles will reach 145 million vehicles in 2030, increasing the penetration rate to 30%. In other words, one out of three cars will be electric in a decade. With the guidance of mid- to long-term policies, new energy vehicles are expected to become the main growth driver in the automotive industry. The market structure, operating strategies, and competition in the market will undergo major changes. The ecology of the automotive industry used to be relatively close. Now the complexity that comes with innovative technologies of alternative fuel vehicles and car electronization is expected to raise car manufacturers' demand for a pattern of division of labor that separates contract R&D from parts manufacturing.

2. Link between the industry upstream, midstream, and downstream

The schematic below shows the structure of the up-, mid-, and downstream of the metal industry:

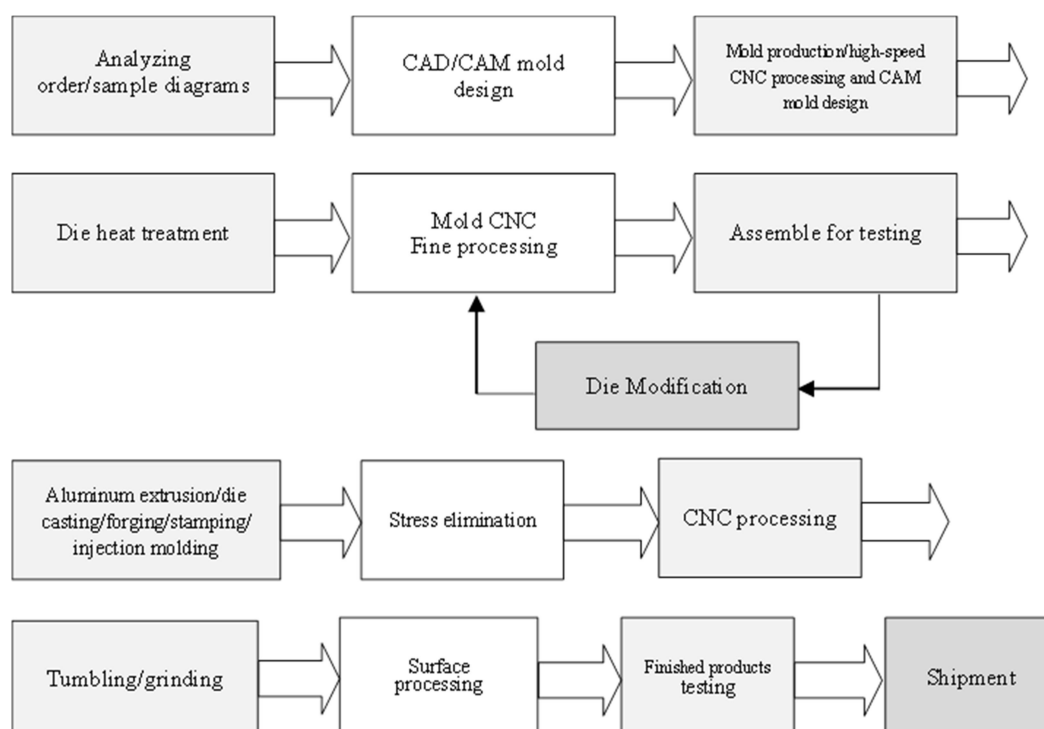


Source: Industrial Technology Research Institute (ITRI) IEK-ITIS Program; compiled by Catcher Technology

Metal alloy upstream: Entities in the upstream mainly engage in the extraction of magnesium, aluminum, zinc, and iron ore. The injection molding of metals uses stainless steel powder. Metal manufacturing equipment, such as extrusion machines, forging machines, stamping presses, and die-casting machines, are purchased from abroad. Taiwan is not a primary metal mining area. The sources of metals are mainly local suppliers in neighboring countries, including China and Australia. Global magnesium alloy refining and production in the early stages were handled by only a few companies, such as Dow Chemical, US Magnesium, American Magnesium Inc., and Dead Sea. In recent years, China has been actively developing the refining and production of magnesium raw materials, becoming the world's biggest producer of magnesium raw materials. Therefore, China is also a main source of magnesium alloy raw materials

for Catcher Technology. For aluminum alloys, the raw aluminum ingots are provided by China, Australia, and Dubai in the Middle East. Domestic manufacturers then continuously casts the alloys and press them into ingots before Catcher Technology produces the forging alloys. The stainless steel forging plates come from domestic stainless steel producers, such as Yieh United.

Metal alloy industry midstream: Entities in the midstream mainly specialize in some manufacturing processes, such as manufacturing of metal molds, metal fabrication, and the back-end process of surface treatment. The main domestic manufacturers include Catcher Technology, Foxconn Technology, Casetek, Wafer Technology, and Silitech Technology. The midstream suppliers of the alloy die-casting/integrated metal casing industry accepts orders from downstream consumer product suppliers to produce the finished metal goods needed by customers. The main manufacturing processes are as follows:



Metal alloy industry downstream: Metal products are ideal for all compact applications, such as portable electronic and information products, automotive parts and components, medical devices, and sports goods. Although domestic automobile industry and bike industry have developed aluminum alloy extrusion and forged products years before, their requirements for shapes and profile, size, and appearance texture are not as demanding as those of the computer, communication, and consumer electronics industry. In contrast, the consumer electronics industry can be said to have truly started the trend of high-precision extrusion and deep processing. Being the global

manufacturing center of ICT products, Taiwan indeed has outperformed its global peers, especially in terms of desktop computers, notebook computers, and portable electronic products. Aside from the notebook computer and mobile phone industries, which use the most magnesium alloys, magnesium alloys, zinc alloys, and stainless steel materials can play extremely important roles in the development and production of portable devices. In recent years, various wearable devices have appeared on the market one after another. For mini electronic device worn by the user during outdoor activities, metals are favored by designers and consumers for their molded designs and outstanding textures.

3. Market Competition

The main competitors are as follows:

Company name:	Main business activities	Main competitive products	Notes
Catcher Technology	Manufacturing, processing and trading of various alloys, composite products, and molds Various alloy products surface treatment	Aluminum-magnesium alloys, composite materials, and other 3C (computer, communication, and consumer electronics) mechanism products	Public company
Casetek	All processes for light metal processing	3C (computer, communication, and consumer electronics) mechanisms made of aluminum alloy	Merged into Pegatron and delisted from TWSE.
Waffer Technology Co., Ltd.	Plastic and metal products, magnesium alloy products, surface treatment for metal products, and electronic component wholesales	Magnesium alloys and other 3C (computer, communication, and consumer electronics) mechanism products	Public company
Foxconn Technology Co., Ltd.	Processing, production, and sales of computer monitors and related components.	Magnesium alloys and other 3C (computer, communication, and consumer electronics) mechanism products	Public company
G-Tank International	Mold development, plastic molding, metal stamping, magnesium and aluminum molding, CNC machining, carbon fiber molding, surface coating, and assembly	3C (computer, communication, and consumer electronics) mechanism products made of magnesium-aluminum alloy or carbon fiber	Public company
BYD Electronics	Mobile phone manufacturing and sales of mobile phone components	3C (computer, communication, and consumer electronics) mechanism products made of aluminum alloy	Public company

(III) Research and Development

1. R&D expense for the most recent year

Year	Group consolidated amount for 2022
Research and development expenses	NT\$1,494,209 thousand

2. Successfully developed technologies and products

Over the recent years, Catcher has been actively developing special processes and technologies, and has managed to combine them with existing ones to form a “comprehensive process matrix” to meet customers’ diversified product design requirements. Compared with peers who specialize only in a single process, Catcher has already integrated own processes at this stage. This is because during mass production it was found that an unique unibody enclosure case with an exclusive surface treating property and texture can be achieved if a mix of different materials is applied to different processes. Products and processes that the Company has successively developed over the recent years are as follows:

- (1) White glass fiber unibody composite enclosure case
- (2) Flame-retardant hybrid carbon and glass fiber composite enclosure case
- (3) Low-density carbon fiber thermoforming unibody enclosure case
- (4) High-modulus flame retardant magnesium alloy
- (5) Titanium alloy special molding technology
- (6) Magnesium alloy enclosure case with metal finish
- (7) Anode with special properties such as anti-fingerprint and anti-bacterial
- (8) Novel PVD SUS unibody product made of multi-color SUS
- (9) Anodized aluminum alloy with special dazzle color
- (10) Carbon fiber unibody composite with specially designed antenna solution
- (11) Heterogeneous materials bonding technology for metal and non-metallic materials
- (12) Heterogeneous metals bonding technology
- (13) Heat-dissipation and heat-insulation materials
- (14) Anti-bacteria fiber materials
- (15) Polymer surface treatment process for magnesium alloy
- (16) Micro-arc oxidation surface treatment technology for magnesium alloy and aluminum alloy
- (17) Injected plastic made of high-strength recycled fiber
- (18) High thermal conductivity die-casted aluminum alloy
- (19) Development of phosphorus-free, environmentally friendly anode polishing fluid
- (20) Environmentally friendly and energy-saving titanium alloy heterogeneous joint treatment technology
- (21) Electrochemical etching technology for special aluminum alloy surface texture
- (22) Memory alloy heat treatment and shaping technology

(23) Extrusion technology for degradable materials

(24) Cold laser processing technology

For more information about R&D, please refer to "Future R&D Plans and Estimated R&D Expenses" under "Risk Management and Evaluation".

(IV) Long-term and Short-term Development

In the short term, notebook computers and other ICT products are still the main revenue sources of mechanism suppliers. In addition to possessing a certain market scale, product development continues to move towards diverse, lightweight, and fashionable designs. Metal-based designs continue to lead the high-end market. Therefore, for Catcher, increasing shipments and enhancing value are important short-term goals. Furthermore, the Company successfully gained world-leading new energy vehicle brands as customers in 2020, officially entering the new energy vehicle industry. The Company also added new notebook computer customers in 2021 and began mass production. The new growth momentum can reduce the revenue concentration of the Company's consumer electronics products and revenue/profit fluctuations.

In terms of medical devices, Catcher plans to enter the minimally invasive medical device and high-end medical consumable sectors due to the considerable disparity that still exists between Taiwan and other countries. With its complete precision processing services, the Company first obtained medical product certification from the Contract Manufacturing Organization (CMO). It continued to accumulate R&D energy and master related laws and regulations to further expand its operations into Contract Development and Manufacturing Organization (CDMO) related medical device products. Complete design and manufacturing service deployment has always been the key to Catcher entering new markets.

As for mid- and long-term development, in addition to consolidating existing products and market shares by leveraging its core competencies in materials science, precision manufacturing, and a comprehensive range of manufacturing process technologies, Catcher will also continue the R&D of other parts, components, and advanced technologies. While maintaining its technological advantage and growing organically internally, the Company will continue to utilize the large amounts of resources it has accumulated over many years to find domestic and overseas investment and M&A opportunities that are in line with its long-term development. The Company will conduct diversified deployment and use these new markets as the pillars for development after the corporate transformations.

II. Market and Sales Overview

(I) Market Analysis

1. Sales regions of main products (services)

Unit: Thousand NTD

Item		2022		2021	
		Net sales	Percentage (%)	Net sales	Percentage (%)
Domestic sales		409,306	1.47%	1,137,484	2.77%
Export sales	Asia	24,919,399	89.49%	33,984,797	82.70%
	Americas	2,491,824	9.04%	5,970,641	14.53%
	Other	0	0.00%	2,057	0.00%
Export sales		27,411,223	98.53%	39,957,495	97.23%
Net sales		27,820,529	100.00%	41,094,979	100.00%

2. Market shares

Most of Taiwan's metal casing market is concentrated in the top few manufacturers. The technical difficulty, mass production capacity, and vertical integration of magnesium alloy die-casting, aluminum alloy and stainless steel molding, and carbon fiberglass, have led to relatively high barriers to entry. In recent years, the number of notebook computers using high-end metal casings or metal-based hybrid models continue to increase, which facilitates the development of large-scale companies. New entrants and other manufacturers in the market lack the experience and technology needed to handle mass production because of their smaller production scale. Therefore, their impact on Catcher in the short term is limited. Currently, the top few manufacturers in the industry control 80% of the shipment volume. Among them, Catcher Technology is one of the few manufacturing companies in the metal casing industry that possesses complete production process technology and highly customized, innovative design capabilities. It has obtained certifications and orders from various large international companies, becoming a global leader in metal casing manufacturing.

3. Future market supply, demand, and growth

Catcher officially entered the non-consumer electronics industry in 2020. The focus of development in recent years has been expanded from notebook computers, tablets, and wearable devices to automotive and medical fields. The Company aims to build a diversified portfolio of products and customers. The Company will continue to develop new products, new customers, and new investment opportunities. The Company aims to establish balanced revenue sources and reduce dependence on a single customer.

In the initial stage of the transformation, notebook computers and other consumer electronics will still be the main revenue sources for Catcher. According to the latest study report by the Intelligence & Consulting Institute (MIC), the effects of the stay-at-home economy have subsided and the shipment volume of IT hardware products is gradually returning to pre-pandemic levels. It predicts that the scale of the global notebook computer market will decrease by 20% to 199 million units in 2022. In 2023, geopolitical turmoil, inflationary pressures, global interest rate hike cycles, and the economic downturn will lead to weak terminal consumer demand and difficulties in moving inventories of finished products. It is predicted that the global notebook computer market will continue to shrink compared to the previous year. The overall situation will not improve until the peak season in the second half of the year. In the face of the supply and demand reversal in the market, the Company's goals for the current stage are diversified deployment and stable profits. As a leading manufacturer of enclosure cases and mechanisms, Catcher uses its extensive knowledge of various materials, core technologies, precision manufacturing capabilities, and rich experience in customized designs to provide comprehensive solutions to meet customer needs. The Company continues to maintain its leading advantages in the mechanism industry.

According to the predictions by the Industrial Technology Research Institute (ITRI), the compound growth rate of the global medical device market from 2020 to 2023 is 5.6%. In 2022, the market reached a scale of NT\$475.3 billion and it will increase to NT\$491.4 billion in 2023. The medical device industry has the characteristics of cross-field technology and small volume, high variety. The mainstream products are becoming more and more sophisticated according to changes in disease patterns, product development, and medical technology development. The manufacturing of medical devices is also highly integrated. The materials used include polymer plastics, chemicals, metals, and other materials. The production processes include optoelectronics, electromechanics, machinery processing, electronics, semiconductors, and other precision and optoelectronic manufacturers. The final step of the processes is safety inspections and testing, as well as sterilization. It is an industry that integrates materials, precision manufacturing, and related companies. For Taiwanese companies that play an important part of the global manufacturing supply chain, the potential for development is limitless.

After many years of operation, Catcher is now equipped with the material science, precision manufacturing and processing, and other core capabilities necessary for high-end medical materials. The Company established Catcher Medtech Co., Ltd. in 2021 to provide an integration platform for operations and investment holdings. The new company works with the Industrial Technology Research Institute to develop microsurgery systems together. Obtained ISO 13485 Medical Device Quality Management System certification in the end of October of the same year. Furthermore, through strategic investments in startup medical teams and those with market scale in the professional field, the Company understands the industry ecosystem and market development

directions, and is gradually establishing itself in the medical material ecosystem. In the future, the Company will continue to focus on the medical material field. With its strengths in material science and production, the Company hopes to manufacture products for major brand companies and continue to find domestic and overseas merger targets and partners. It will advance in the medical field from multiple directions.

Countries are paying more and more attention to climate change and net-zero carbon emission issues. Governments are providing subsidies for the active development of automotive plants. With charging equipment and battery efficiency challenges being overcome one by one, global new energy vehicle sales are rapidly growing. According to the study report by the car sales tracking institution LMC Automotive and EV-Volumes.com, global sales of pure electric vehicles totaled 7.8 million vehicles in 2022, representing an annual increase of nearly 70% and accounting for 10% of all new car sales. The International Energy Agency (IEA) estimates that global sales of electric vehicles will reach 145 million vehicles in 2030, which is equivalent to a compound annual growth rate of 30%, and the penetration rate will increase to 30%. In the mid to long term, new energy vehicles will become the main driving force for growth of the automotive industry with the new policies. The outlook for related industries and the supply chain is promising, which will create massive demand for mechanisms using various materials and internal and external accessories. As a world-leading mechanism manufacturer, Catcher has been focused on the production of consumer electronics for many years. The Company has performed excellently in design, automation, mass production, yield, and cost management, which can help Catcher enter the automotive market and distinguish itself from the competition.

4. Competitive niches

Catcher is a professional manufacturer of aluminum, magnesium, zinc, stainless steel, and composite material casings and internal components. Its production process technologies include: Various surface treatment technologies, such as magnesium alloy die-casting, aluminum extrusion, forging, stamping, hot-press forming, CNC machining, anodizing, and micro-arc oxidation, which are mainly used in notebook computers and other portable ICT products. In recent years, the Company has been actively developing composite materials such as carbon fiber and fiber glass, diversifying its products even further. As one of the few manufacturers with large-scale metal and composite material mechanism production capacity, Catcher provides comprehensive technical and mass production capabilities, meeting the mechanism needs of various notebook computer and portable ICT product companies. The Company's outstanding performance stems from the following competitive niches:

- A. A strong R&D team; R&D work that yields high niches and high quality.

- B. Strong management abilities and discipline.
- C. Self-developed automation capacity that outperforms industry standard.
- D. Full range of manufacturing processes that integrate multiple materials, technologies, and surface treatment methods.
- E. Timely control of lead time and quality issues, thanks to the fact that all manufacturing processes are completed within the Company's factory.
- F. Competencies in joint R&D, rapid mold making, mold flow molding, mold development, molding, CNC machining, surface treatment for various alloys, rapid launch and mass production of products, and rapid response to product design modification.
- G. Product quality is highly affirmed by customers.
- H. Active development of new markets and new product applications to meet customers' needs.

Catcher upholds the ideas of steady growth and innovation. It has established competitive niches in R&D, production, and sales. Furthermore, a good financial structure, comprehensive production transformations, active recruitment and training of professional talent, and the continued strengthening of strategic partnerships have helped Catcher earn customer trust in operations and obtain opportunities to develop products together.

5. Favorable and unfavorable factors for long-term growth and response strategies

Favorable factors

- A. Being increasingly used, metal products have a brilliant industry outlook

Metals' excellent physical properties have led to their increasing usage. In addition to notebook computers, ICT products such as smartphones, tablets, wearable devices, and digital cameras are moving towards compact designs with large touchscreens. In order to strengthen the structure, save space, and provide favorable textures, the proportion of products adopting metal components has increased significantly, which has created more growth potential for metal casing applications and an optimistic market outlook. The growth of the metal mechanism industry will be driven by three forces: (1) increase in shipments of mobile devices or portable devices; (2) increase in the penetration rate of high-end metals; (3) More complex casing designs. In addition to the favorable industry factors above, Catcher also benefits from the 3 major growth drivers: (1) Internal organic growth; (2) Introduction of new products. and (3) increase in new customers.

- B. A stable customer base

Taiwan's IT industry has benefited from years of government and private sector cooperation. The IT industry has developed a complete industrial system and many of the products rank first in

market share around the world. Whether it is in terms of quality, yield, or production scale, Catcher Technology is one of the few suppliers in Taiwan with excellent capabilities. For years Catcher has been dealing with domestic and foreign notebook computer brands and OEMs and so accumulated a stable customer base, which is an important factor in the Company's sustainable development.

C. Industry technological threshold that has high entry barriers

The structure and design of metal casings are highly customized, and the key technologies, product mold development, and diversified surface treatment technologies rely on the manufacturer's extensive experience to improve product and process yield. In recent years, notebook computers have gradually adopted unibody metal casings or hybrid material designs, which use a large number of extrusion and CNC machining methods, allowing for more room for development in metal casing designs. As a result, the metal casing manufacturing industry has become an industry with high barriers to entry in terms of capital and technology. In addition to the use of numerous machinery and equipment, the later processes are also quite complicated, and automation is difficult to fully replace. It is necessary to make good use of limited manpower and control costs to maintain long-term profitability, which is not easy.

The lifecycles of ICT products continue to shorten. Manufacturers must seize opportunities in the market by being about to develop and mass produce products in a short time. Due to the massive initial equipment investment and insufficient accumulation of technical experience, new entrants find it difficult to quickly improve product and process yield, and it takes a long time to reach break-even point. Therefore, although they are potential threats in the medium to long term, it is not easy for them to compete with Catcher Technology in the short term.

Overall, the metal enclosure case industry has four major entry barriers: (1) a highly volatile market; (2) a tendency for a complex design in which the realization requires integration of multiple materials with multiple technologies; (3) high thresholds of immense production capacity and automatic manufacturing; and (4) the extent of the strictness of legal compliance. As Catcher Technology entered the industry early and has a strong R&D team, it has accumulated years of experience in various aspects such as delivery time and quality, giving it a relative competitive advantage and avoiding falling into vicious competition.

D. Strong R&D strength and fruitful R&D results

ICT products have complex designs, rapid R&D times, and high quality requirements, so it is increasingly important for key components to be able to keep up with technological updates and trends. This is also a key factor for the Company to maintain its competitiveness. Catcher Technology's main managers have professional technical backgrounds, and its R&D team is highly capable. Their ability to develop products and innovate technologies is unquestionable. As soon as

becoming aware in the mid-1990s that the application of the properties of magnesium alloy would be valued, Catcher engaged itself in developing magnesium die castings, and so became the first manufacturer in Taiwan who was capable of mass producing magnesium alloy enclosure cases for notebook computers. In recent years, the Company has actively developed new materials and processes, continuously introduced new solutions, and has become the most complete mechanism manufacturing company for material applications and processing technology. The products are also gradually adopting modular casing designs and have been highly recognized by many well-known large international companies. In the future, Catcher will continue to improve its technical capabilities and R&D personnel by using its past R&D achievements, in order to maintain its competitiveness in innovation and lead the industry in developing new products.

E. Manufacturing processes are complete and superb; mass production scale and time-to-market outperform the industry

Catcher adopts comprehensive production operations. The material design, design and development of molds and tools, forming, CNC machining, diverse surface treatments, painting, and assembly of finished products are mostly completed in the Catcher plant. Therefore, the Company is able to fully grasp the production schedule and ensure product quality. The Company also actively develops special processes and technologies, and combines them with existing processes and technologies to form the “Comprehensive Process Matrix”. Among the current metal casing and internal component manufacturers in Taiwan, Catcher is one of the few companies who can meet the requirements and targets of large international companies related to quality, yield, mass production capacity, customization, and innovative designs. In order to enhance design and production capabilities for industrial plastic mechanisms, the Company has introduced large plastic injection machines in the production line to offer metal and industrial plastic integrated services. The Company continues to develop various new surface treatment technologies. It will expand its production line depending on future market conditions, creating promising growth potential.

Unfavorable factors

A. Unclear global economic conditions and the constant existence of industrial competition squeeze the gross profit.

Geopolitical uncertainties and the pandemic have affected the global economy, leading to increased uncertainty in demand growth. The ever-evolving technologies and rapid launch of ICT products increasingly squeeze the gross profit of the industry. With the good growth potential of metal mechanisms, many traditional manufacturers and assembly plants originally engaged in metal stamping, plastic injection, steel production, and mold development are moving towards the metal casing market, creating operating pressure for existing companies. Coupled with the fact that

demand for hardware is not as strong as in previous years, customers are applying greater pressure on the prices of components in order to maintain their profits. These various factors are affecting the profitability of mechanism manufacturers.

Response measures:

- a. Expand the scale of production and sales and lower production costs to obtain the benefits of economies of scale; enhance R&D of high added-value products and high profit products; accelerate diversifying products to move products to a higher end; and ensure and secure profit sources.
 - b. Through superior process technology, the Company continues to expand its deep and wide strategic alliance system with existing customers, which covers product design, mass production, logistical support, distribution, and after-sales services, in order to strengthen the long-term co-prosperity relationship between both parties. With a good production foundation, the Company improves product yield and widens the gap with new competitors.
 - c. Provide “One-Stop Shopping” services to customers. Continue to invest in new production processes and establish a comprehensive system that covers co-design, rapid prototyping, mold flow analysis, mold/tool development, forming, CNC machining, various metal surface treatments, and printing and assembly, in order to fully meet customer needs.
 - d. Fully utilize existing core capabilities to develop new applications and enter new markets, in order to balance product structure and look for the next growth area.
- B. Notebook OEM/assembly plants are increasing price pressure and actively implementing vertical integrations.

In recent years, the demand for commercial notebooks has been on the rise, and the proportion of metal components has increased. However, due to the increasing cost pressure on OEM/assembly plants, notebooks have shifted from using high-priced magnesium alloy die-castings in the past to more cost-effective methods such as "aluminum cover and magnesium structure" and "aluminum cover and plastic structure". This approach allows the product to have a metallic texture while also reducing cost pressure. Considering the vertical integrations in the industry in recent years, although the top notebook OEM companies in the world have casing manufacturer partners, their mid- to long-term goals include the in-house production of a certain proportion of casings. Other OEM/assembly plants also hold similar views. Furthermore, although the market share dispersion in the enclosure case market has not seen any noticeable shift, the benefits of order diversion in the long run remain to be observed.

Response measures:

- a. Catcher utilizes its “production matrix capabilities” to continue developing high-end solutions for multiple materials and production methods. The Company creates new value for customers and increases the barriers to entry.
- b. In accordance with economic principles, Catcher mechanizes, automates, and rationalizes production processes to improve product quality, differentiation, and added value through product and process design, while reducing costs.
- c. Strengthen the aluminum surface treatment technology for “Magnesium with aluminum coating” and “Plastics with aluminum coating” to increase added value.
- d. The main competitiveness of the casing industry lies in the development capabilities of product molds and surface treatment technologies. Manufacturers must possess rich production and manufacturing experience. Currently, many major notebook manufacturers in Taiwan have formed strategic alliances with casing plants and invested in them, but mostly in plastic casing plants. Due to the high level of capital and technical requirements, it is not easy to improve the yield of metal casings in the short term, and it takes a long time to reach the break-even point. Therefore, although competitors are increasing day by day, their scale and technical capabilities are not yet causes for concern in the short term.

C. Increasing manufacturing cost year on year; shortage of rank-and-file labor and professionals

Shift in social value has led to a common shortage of domestic rank-and-file labor supply, resulting in ever increasing recruitment costs year on year. Metal mechanism manufacturing processes are complicated and require strict quality requirements, and not all of the products can be produced through automation alone. As the product development cycle becomes increasingly shorter and the demand for product quantity increases, the demand for base-level labor is also rising in response. At the mass production phase, not only are the rank-and-file labors required, there is a robust demand for mold design professionals as well as technicians required for the various processes. At the same time, the economy in China continues to grow, and the salary level is rapidly increasing. Coupled with various tax increases and inflationary pressures, production costs in China have increased.

Response measures:

- a. In accordance with economic principles, Catcher produce new high-margin and high-priced products in Taiwan. Design products and manufacturing processes to realize process mechanization, automation, and reasonablization, so as to reduce the dependence on manpower, lower cost, and improve quality.

- b. Enclosure case manufacturers of scale have economies of scale large enough to bring down costs. In situations where orders and profits are abundant, it is more feasible to solve the labor shortage problem by improving the overall salary level, introducing incentive measures, and improving the working environment to attract and retain workers. In comparison with small plants, Catcher also has bargaining advantages.
- c. Increase automated production, reduce the need for manpower, and increase production stability.

D. Application of alternative materials

Metal mechanisms are not the only structural material in the enclosure cases and internal mechanisms of portable devices and ICT products. Among non-metallic materials, plastics outperform metals in terms of cost, resulting in the slowdown in a design adopting metals. As a result, low-cost plastic casings still have a place in the market. In addition, new materials such as carbon fiber, fiberglass, 3D glass, special metals, composite materials, and powder materials are being developed, which may all impact the long-term development of metal casings.

Response measures:

- a. Catcher focuses on R&D of technologies and improvement in manufacturing processes, and spares no efforts to use and develop new materials. In recent years, the Company has not only provided products that have adopted aluminum and magnesium alloy materials, but also various alloy materials such as zinc alloy, stainless steel, carbon fiber, and fiberglass. The Company also actively develops special processes and technologies, and combines them with existing processes and technologies to form the “Comprehensive Process Matrix”. In terms of molding processes, the Company provides various processes such as extrusion, die casting, injection molding, stamping, forging, metal injection molding (MIM), and hot-press forming, as well as various surface treatments for various alloy products (such as anodizing and PVD), to provide customers with higher quality and more diversified services, expand the differentiation of metal and non-metal applications, and enhance the company's competitiveness.
- b. The R&D team of the Company is dedicated to the development and application of new materials, and spares no effort in expanding non-metallic material businesses and upgrading technology development. In addition to producing metal casings, the company has also entered the special plastic casing and composite material fields, to provide customers with "one-stop shop" services and create win-wins with customers.

E. Highly volatile and unpredictable market

The growth of demand for consumer electronics has slowed down; the time it takes for consumers to replace their old products with new ones has lengthened; brand competition has become even more fierce. All of these factors cause difficulty in accurately forecasting new products sales. As such, manufacturers are forced to face some issues, such as an uncertain demand, difficulty in allocating their capacity and manpower, and increasing volatility in operations.

Response measures:

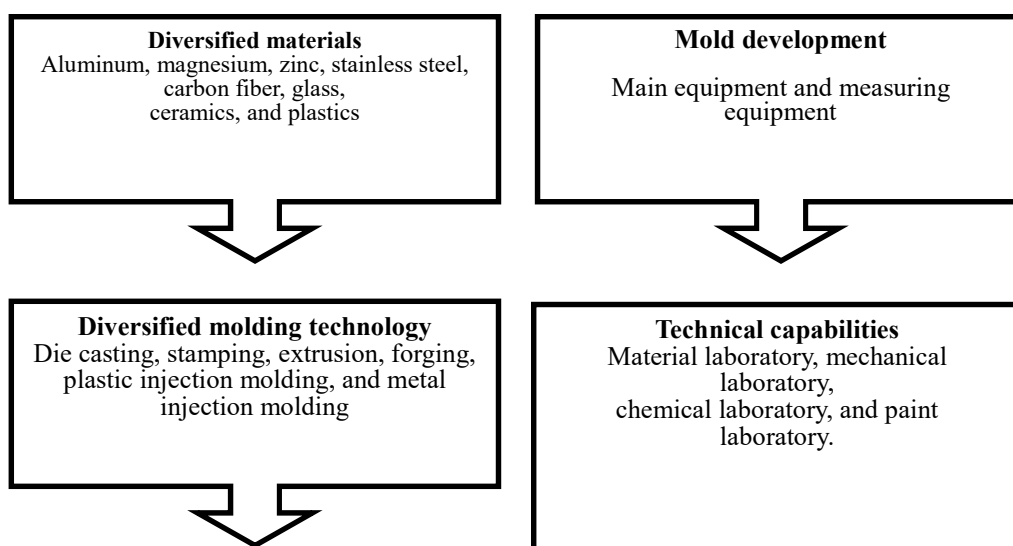
- a. Actively develop new products and new customers to diversify operations, so as to avert the impact caused by the slowdown in demand for a single product.
- b. Continue to enhance the competencies in the design and manufacturing of existing product lines, so as to provide customers with an optimal choice.

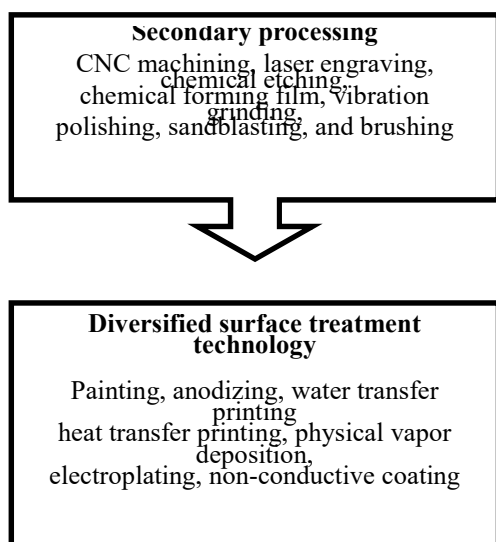
(II) Production Procedures of Main Products

1. Major applications of core products

The Company's main products include external casings and functional internal components for portable and consumer electronics, which are used to protect LCD panels and components of portable and consumer electronics. The Company also provides products with functions such as heat dissipation, shock resistance, and prevention of electromagnetic interference.

2. Manufacturing Processes of Major Products





(III) Major raw materials supply

Name of raw materials	Region of supply	Supply condition
Magnesium alloy ingot	China	Always available
Aluminum alloy ingot; zinc alloy ingot	Domestic suppliers; China	Always available
SUS sheet	Domestic supplier; Japan	Always available
SUS powder	Domestic supplier; Japan; Europe	Always available

(IV) Major Customers/Suppliers in the Last Two Calendar Years

1. Major customers information

Unit: Thousand NTD

2022					2021			
Item	Name	Amount	Percentage of net sales %	Relationship with issuer	Name	Amount	Percentage of net sales %	Relationship with issuer
1	T	8,776,565	31.55%	Not a related party	T	9,999,532	24.33%	Not a related party
2	C	7,472,390	26.86%	Not a related party	C	14,904,768	36.27%	Not a related party
3	Q	4,382,883	15.75%	Not a related party	Q	5,149,298	12.53%	Not a related party
	Other	7,188,691	25.84%		Other	11,041,381	26.87%	
	Net sales	27,820,529	100.00%		Net sales	41,094,979	100.00%	

Description: Changes in revenue from customers between the last two years were mainly due to changes in customers' demands for products in response to changes in market trends.

2. Major suppliers list – Consolidated

Unit: Thousand NTD

2022				2021			
Suppliers	Purchase amount	%	Relationship	Suppliers	Purchase amount	%	Relationship
E	922,368	17%	None	E	957,177	13%	None
G	575,578	10%	None	G	209,434	3%	None
Other	4,034,364	73%	-	Other	6,116,813	84%	-
Purchase amount	5,532,310	100%	-	Purchase amount	7,283,424	100%	-

Description: Changes in purchase amount between the last two years were mainly due to considerations of price and quality, and requirements for new models and new manufacturing processes.

(V) Production and Sales Value and Volume in the Last Two Years

Unit: In Thousands of New Taiwan Dollars/In Thousands of Units

Year	2022				2021			
	Capacity	Quantity	Amount	Sales value	Capacity	Quantity	Amount	Sales value
Product sales	35,000	23,708	18,944,631	27,801,362	252,000	177,013	27,483,144	41,031,606
Other	-	-	9,001	19,167	-	-	42,708	63,373
Total	35,000	23,708	18,953,632	27,820,529	252,000	177,013	27,525,852	41,094,979

III. Number of Employees in Service in the Last Two Years and up to the Publication Date of This Annual Report, Their Average Service Years, Average Age, and Education Degree Dispersion Ratio

Analysis of data of employees in service

Personnel		Year	2020	2021	2022
Employee count	Direct employees		2,778	2,963	2,632
	Indirect employees		2,290	1,434	1,310
	Total		5,068	4,397	3,942
Average age (age)			32.54	33.78	34.61
Average service years (years)			4.32	5.37	6.06
Education background distribution (%)	PhD		0.28	0.27	0.28
	Masters		5.64	5.78	5.78
	University/College		30.88	32.48	36.12
	Senior high school/vocational high school		18.65	20.08	19.56
	Under senior high school/foreign workers/Contingent workers/temporary workers		44.55	41.39	38.26

IV. Environmental Protection Expenditure Information

(I) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation), if any, and total amount of penalty

None

(II) Response measures (including improvement measures)

Catcher follows the ISO 14001 environmental management system and the Plan-Do-Check-Act (PDCA) management cycle to systematically implement and manage the various pollution prevention and environmental protection actions, in order to comply with laws and regulations and achieve environmental sustainability. Starting in 2021, the Company has been continuously expanding and promoting the use of water filtration, recycling, and reuse systems for grinding processes in its Tainan plant to increase the recycling rate of process water within the plant. As for recycling and reuse of drain water, all factories have completed the establishment of an effluent filtration and reuse system; aside from lowering water resource consumption, the system can at the same time reduce the volume of discharged sewage and wastewater.

In terms of production processes, the Company continuously invests in research and development to reduce the use of chemicals and the emission of air pollutants. During the anodization and polishing processes, the Company has reduced the consumption of phosphoric acid to reduce the use of chemicals. During the painting process, water-based coatings have been introduced to replace oil-based coatings, reducing the emission of volatile organic compounds and air pollution. By upholding with the spirit of clean production, Catcher continuously promotes resource conservation and recycling. In the future, it will continue to strive for its energy conservation and water conservation goals and improve the reuse of wastewater and waste to promote environmental sustainability as the basis for fulfilling its social responsibility as a world-class enterprise.

V. Labor relations

(I) The Company's employee welfare measures, continuing education, training, retirement regulations and their actual implementation, along with employer-employee agreements, and measures for protecting employee rights:

1. Welfare

The Employee Welfare Committee is established to implement various employee benefits:

(1) Festivals subsidies; birthday subsidies; condolences subsidies

- (2) Cash gifts or gifts for weddings, funerals, and maternity
- (3) Party lucky draw
- (4) Family day
- (5) Regular health check subsidies
- (6) Care for employees who live in the factory
- (7) Business travel insurance and reimbursements
- (8) Employee group insurance
- (9) Scholarship for employees' children

2. Employee continuing education and training

To align with its long-term development and improve employees quality, aside from the systematically scheduled annual education training program, the Company also regularly organizes different courses or assigns employees to attend external lectures; those who pass certain certification tests will be awarded subsidies.

3. Pension scheme

In addition to enjoying the various benefits under the Labor Insurance Act upon joining the company, employees are also provided with retirement benefits and severance pay in accordance with the Labor Standards Act and the Labor Pension Act. Catcher has established a retirement plan that sets aside a monthly reserve fund and deposits the retirement pension into employees' individual retirement accounts to ensure their livelihoods after retirement.

4. Protection measures for agreements between the employer and employees and all employee rights

The successful fulfillment of the Company's operation targets relies on employees' dedication and contributions. The employer offers a stage for employees to fulfill their potential. Therefore, harmony between employers and employees has always been an important issue for the Company. The Company upholds the ideals of creating mutual prosperity to take care of employees and we designed salary, benefits, and training policies for employees' interest and providing personal work satisfaction and a good work environment. Both labor and management work hard to pursue growth for the Company.

(II) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes, if any, and disclosure of the incurred and estimated expenditures as well as response measures

1. The Company's labor-management relations have been harmonious. In the most recent fiscal year and up to the annual report publication date, the Company did not suffer any losses due to labor disputes, and does not expect any such losses that are significant in the future.
2. Future response measures and possible expenditures: None.

VI. Important Contracts

Nature of contract	Contracting parties	Contract Start and end date	Content	Restrictive clauses
Land right settings	Taiwan Sugar Corporation	2000.4.20 2050.4.19	Land lease	Any illegal use of this land or any creation of a pledge or any burden on the superficies granted by this contract without written consent from the lessor shall lead to the cancelation of this contract and the superficies.
Catcher Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2008.12.12 2058.12.11	Transfer of state-owned construction land use rights	None
Catcher Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2010.01.05 2060.01.04	Transfer of state-owned construction land use rights	None
Catcher Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2012.07.24 2062.07.23	Transfer of state-owned construction land use rights	None
Vito Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2012.08.24 2062.08.23	Transfer of state-owned construction land use rights	None
Vito Technology Suqian State-owned construction land Right-of-use license	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park	2014.04.19 2064.04.18	Transfer of state-owned construction land use	None

agreement	National Land and Real Estate Administration		rights	
Vito Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2014.12.15 2064.12.14	Transfer of state-owned construction land use rights	None
Arcadia Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2015.01.15 2065.01.14	Transfer of state-owned construction land use rights	None
Arcadia Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2015.01.15 2065.01.14	Transfer of state-owned construction land use rights	None
Arcadia Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2015.03.24 2065.03.23	Transfer of state-owned construction land use rights	None
Keda Technology Suqian State-owned construction land Right-of-use license agreement	People's Republic of China Suqian City (County) in Jiangsu Province Suzhou Suqian Industrial Park National Land and Real Estate Administration	2017.09.15 2067.09.14	Transfer of state-owned construction land use rights	None

Chapter 6. Financial Overview

I. Condensed balance sheet and comprehensive income statement for the recent 5 years

(I) Condensed balance sheet and consolidated income statement information

Condensed balance sheet - IFRS

Unit: Thousand NTD

Item	Year	Financial information for the most recent 5 years (Note 1)					From this year to March 31, 2023 Financial Information
		2022	2021	2020	2019	2018	(Note 3)
Current assets		188,978,494	195,318,132	201,877,350	191,844,532	196,505,238	—
Property, plant and equipment		14,338,395	17,868,347	22,567,706	41,296,514	50,264,399	—
Intangible assets		22,707	57,707	38,004	101,455	125,689	—
Other assets		38,223,094	33,658,617	31,420,135	9,871,772	10,264,587	—
Total assets		241,562,690	246,902,803	255,903,195	243,114,273	257,159,913	—
Current liabilities	Before distribution	69,192,236	89,233,095	91,462,675	93,271,004	103,990,484	—
	After distribution (Note 2)	69,192,236	96,530,626	100,602,092	100,887,185	113,235,176	—
Non-current liabilities		6,567,842	6,242,986	6,368,918	1,254,762	1,845,114	—
Total liabilities	Before distribution	75,760,078	95,476,081	97,831,593	94,525,766	105,835,598	—
	After distribution (Note 2)	75,760,078	102,773,612	106,971,010	102,141,947	115,080,290	—
Attributable to the parent company Equity of the owner		165,791,569	151,377,133	157,975,065	148,462,713	151,219,313	—
Share capital		7,144,671	7,616,181	7,616,181	7,703,911	7,703,911	—
Capital reserve		18,771,534	20,008,824	20,008,231	20,237,791	20,238,740	—
Reserved Earnings	Before distribution	142,119,848	144,179,403	144,744,963	132,709,517	130,686,978	—
	After distribution (Note 2)	142,119,848	136,881,872	135,605,546	125,093,336	121,442,286	—
Other equity		-2,244,484	-16,961,466	-14,394,310	-12,188,506	-7,410,316	—
Treasury stock		0	-3,465,809	0	0	0	—
Non-controlling interests		11,043	49,589	96,537	125,794	105,002	—
Equity Total value	Before distribution	165,802,612	151,426,722	158,071,602	148,588,507	151,324,315	—
	After distribution (Note 2)	165,802,612	144,129,191	148,932,185	140,972,326	142,079,623	—

Note 1: The consolidated financial information for the 5 years mentioned above has been audited and attested by CPAs.

Note 2: Since the 2023 shareholders' meeting has yet to be convened, the amount after distribution is temporarily presented as the amount before distribution in 2022.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor is not available.

Stand-alone condensed balance sheet - IFRS

Unit: Thousand NTD

Item	Year	Financial information for the most recent 5 years (Note 1)					From this year to March 31, 2023 Financial Information
		2022	2021	2020	2019	2018	(Note 3)
Current assets		39,744,894	51,053,431	62,612,525	69,339,078	94,542,208	—
Property, plant and equipment		5,572,648	6,966,460	7,147,309	7,580,644	6,896,206	—
Intangible assets		15,392	29,423	10,862	46,272	53,411	—
Other assets		186,592,784	181,758,348	172,746,658	149,442,856	144,074,919	—
Total assets		231,925,718	239,807,662	242,517,354	226,408,850	245,566,744	—
Current liabilities	Before distribution	63,070,090	83,227,902	79,774,687	77,763,289	94,292,872	—
	After distribution (Note 2)	63,070,090	90,525,433	88,914,104	85,379,470	103,537,564	—
Non-current liabilities		3,064,059	5,202,627	4,767,602	182,848	54,559	—
Total liabilities	Before distribution	66,134,149	88,430,529	84,542,289	77,946,137	94,347,431	—
	After distribution (Note 2)	66,134,149	95,728,060	93,681,706	85,562,318	103,592,123	—
Attributable to the parent company Equity of the owner		165,791,569	151,377,133	157,975,065	148,462,713	151,219,313	—
Share capital		7,144,671	7,616,181	7,616,181	7,703,911	7,703,911	—
Capital reserve		18,771,534	20,008,824	20,008,231	20,237,791	20,238,740	—
Reserved Earnings	Before distribution	142,119,848	144,179,403	144,744,963	132,709,517	130,686,978	—
	After distribution (Note 2)	142,119,848	136,881,872	135,605,546	125,093,336	121,442,286	—
Other equity		-2,244,484	-16,961,466	-14,394,310	-12,188,506	-7,410,316	—
Treasury stock		0	-3,465,809	0	0	0	—
Non-controlling interests		0	0	0	0	0	—
Equity	Before distribution	165,791,569	151,377,133	157,975,065	148,462,713	151,219,313	—
Total value	After distribution (Note 2)	165,791,569	144,079,602	148,835,648	140,846,532	141,974,621	—

Note 1: The stand-alone financial information for the 5 years mentioned above has been audited and attested by CPAs.

Note 2: The 2023 shareholders' meeting has yet to be convened. The amount after distribution is temporarily presented as the amount before distribution in 2022.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor is not available.

Condensed consolidated statement of comprehensive income – IFRS

Unit: Thousand NTD

Item \ Year	Financial information for the most recent 5 years (Note 1)					From this year to March 31, 2023 Financial Information
	2022	2021	2020	2019	2018	(Note 3)
Operating income	27,820,529	41,094,979	82,506,032	91,628,115	95,416,141	—
Operating margin	8,866,897	13,569,127	21,919,251	22,266,895	38,624,196	—
Operating profit or loss	4,968,798	8,760,121	14,935,168	14,109,148	29,604,362	—
Non-operating income and expenses	11,574,249	3,310,531	25,912,021	5,874,113	11,714,774	—
Net profit before tax	16,543,047	12,070,652	40,847,189	19,983,261	41,319,136	—
Continuing business units						
Net income for the period	10,896,238	8,596,283	21,166,068	11,297,820	27,994,853	—
Losses from discontinued operations	0	0	0	0	—	—
Net income (loss) for this period	10,896,238	8,596,283	21,166,068	11,297,820	27,994,853	—
Other comprehensive income (OCI) for this period						
(Net income after tax)	14,750,312	-2,569,796	(2,204,666)	(4,783,094)	-528,309	—
Total comprehensive income for this period	25,646,550	6,026,487	18,961,402	6,514,726	27,466,544	—
Net profits attributable to owners of the parent company	10,902,179	8,575,044	21,129,820	11,272,124	27,972,188	—
Profit attributable to non-controlling interests	-5,941	21,239	36,248	25,696	22,665	—
Total comprehensive income attributable to owners of parent	25,647,939	6,006,701	18,924,016	6,493,934	27,445,775	—
Total comprehensive income attributable to non-controlling interests	-1,389	19,786	37,386	20,792	20,769	—
Earnings per share (Note 2)	15.14	11.31	27.65	14.63	36.31	—

Note 1: The consolidated financial information for the 5 years mentioned above has been audited and attested by CPAs.

Note 2: Calculated at the number of shares that is derived after retrospectively adjusting for recapitalization of capital surplus, earnings, and employee bonuses.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor is not available.

Condensed stand-alone statement of comprehensive income – IFRS

Unit: Thousand NTD

Item \ Year	Financial information for the most recent 5 years (Note 1)					From this year to March 31, 2023 Financial Information
	2022	2021	2020	2019	2018	(Note 3)
Operating income	8,306,338	14,030,564	57,693,223	64,460,760	66,951,051	—
Operating margin	1,579,060	1,791,577	2,885,372	3,673,706	8,393,585	—
Operating profit or loss	628,012	796,947	1,757,976	2,494,760	7,509,608	—
Non-operating income and expenses	11,751,312	8,487,918	26,220,367	10,100,348	23,368,943	—
Net profit before tax	12,379,324	9,284,865	27,978,343	12,595,108	30,878,551	—
Continuing business units						
Net income for the period	10,902,179	8,575,044	21,129,820	11,272,124	27,972,188	—
Losses from discontinued operations	—	—	—	—	—	—
Net income (loss) for this period	10,902,179	8,575,044	21,129,820	11,272,124	27,972,188	—
Other comprehensive income (OCI) for this period (Net income after tax)	14,745,760	-2,568,343	(2,205,804)	(4,778,190)	-526,413	—
Total comprehensive income for this period	25,647,939	6,006,701	18,924,016	6,493,934	27,445,775	—
Net profits attributable to owners of the parent company	—	—	—	—	—	—
Profit attributable to non-controlling interests	—	—	—	—	—	—
Total comprehensive income attributable to owners of parent	—	—	—	—	—	—
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—	—
Earnings per share (Note 2)	15.14	11.31	27.65	14.63	36.31	—

Note 1: The stand-alone financial information for the 5 years mentioned above has been audited and attested by CPAs.

Note 2: Calculated at the number of shares that is derived after retrospectively adjusting for recapitalization of capital surplus, earnings, and employee bonuses.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor is not available.

(II) Names of auditing CPAs of the most recent five years and their audit opinions

Year	Name of accounting firm	Name of attesting CPAs	Audit opinions	Reason for change of CPA
2018	Deloitte, Taiwan	Chi-chen Li Chun-chi Kung	Unqualified opinion	
2019	Deloitte, Taiwan	Chi-chen Li Chun-chi Kung	Unqualified opinion	
2020	Deloitte, Taiwan	Chi-chen Li Li-yuan Kuo	Unqualified opinion	Job rotation within the accounting firm
2021	Deloitte, Taiwan	Hung-ju Liao Chi-chen Li	Unqualified opinion	Job rotation within the accounting firm
2022	Deloitte, Taiwan	Hung-ju Liao Chi-chen Li	Unqualified opinion	

II. Financial Analysis for the Last Five Years

(I) Consolidated financial analysis - IFRS

Item \ Year		Financial analysis for the most recent 5 years (Note 2)					From this year to March 31, 2023
		2022	2021	2020	2019	2018	(Note 3)
Financial structure %	Debt asset ratio	31.36	38.66	38.22	38.88	41.15	—
	Ratio of long-term capital to property, plant and equipment	1,156.27	847.18	700.00	359.50	300.84	—
Solvency %	Current ratio	273.12	218.88	220.72	205.68	188.96	—
	Quick ratio	267.77	214.71	213.50	188.88	162.00	—
	Interest coverage ratio	2,449.65	2,599.04	7,188.20	2,182.10	8,890.80	—
Operating ability	Receivables turnover (times)	2.89	3.04	4.03	3.76	3.33	—
	Average collection days	126.29	120.06	90.57	97.07	109.60	—
	Inventory turnover (times)	5.65	5.90	6.00	3.52	3.29	—
	Payables turnover (times)	6.12	4.93	6.40	5.45	4.33	—
	Average days of sales	64.60	61.86	60.83	103.69	110.94	—
	Property, plant and equipment Turnover (times)	1.72	2.03	2.58	2.00	1.86	—
	Total asset turnover (times)	0.11	0.16	0.33	0.36	0.40	—
Profitability	Return on assets (%)	4.65	3.55	8.60	4.73	12.02	—
	Return on equity (%)	6.87	5.55	13.81	7.53	19.69	—
	Ratio of net income before tax to paid-in capital (%)	231.54	158.48	536.32	259.39	536.33	—
	Percentage (%)						
	Net profit margin (%)	39.16	20.91	25.65	12.33	29.33	—
Cash flows	Earnings per Share (NT\$) (Note 1)	15.14	11.31	27.65	14.63	36.31	—
	Cash flow ratio (%)	19.72	10.67	22.19	27.66	25.89	—
	Cash flow adequacy ratio (%)	118.86	114.51	121.74	119.43	108.83	—
Lever age	Cash reinvestment ratio (%)	3.15	0.20	6.46	7.69	8.37	—
	Operating leverage	3.52	3.03	3.48	4.02	2.22	—
	Financial leverage	1.16	1.05	1.04	1.07	1.01	—
Please specify the reasons for the changes in the financial ratios for the last five years (analysis not needed when the change is less than 20%).							
Note 1: Calculated at the number of shares that is derived after retrospectively adjusting for recapitalization of capital surplus, earnings, and employee bonuses.							
Note 2: The financial information for the most recent 5 years has been audited and attested by CPAs.							
Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor was not available.							

The reasons for changes in the financial ratios of 2022 reaching 20% when compared with the 2021 level are stated as follows:

- **Long-term capital to fixed assets ratio; Property, plant and equipment turnover rate:**
The property, plant, and equipment turnover rate decreased and the ratio of long-term capital to fixed assets increased as a result of decrease in the amount of property, plant and equipment.
- **Current ratio; Quick ratio:**
The decline in revenue this year resulted in a decrease in accounts receivable this year, and a relative decrease in current assets and current liabilities, resulting in an increase in the relevant ratio.
- **Payables turnover**
The payable turnover increased because the balance of average inventory and average accounts payable for the current year both declined.
- **Total assets turnover; Return on assets; Return on equity; Profit before tax to capital stock; Net profit margin; Earnings per share:**
Mainly due to the impact of China's lockdown policy, the decrease in operating income has resulted in a decrease in the total asset turnover (times), but the increase in profits has resulted in an increase in the relevant ratios.
- **Cash flow ratio; Cash reinvestment ratio:**
Cash inflows from operating activities for the current year decreased, leading to all cash flow ratios declining correspondingly.

(II) Stand-alone financial analysis - IFRS

Analysis item		Year	Financial analysis for the most recent 5 years (Note 2)					From this year to 2023 March 31 (Note 3)
			2022	2021	2020	2019	2018	
Financial structure %	Debt asset ratio		28.51	36.87	34.86	34.42	38.42	—
	Ratio of long-term capital to property, plant and equipment		2,975.09	2,172.94	2,210.27	1,958.44	2,192.78	—
Solvency%	Current ratio		63.01	61.34	78.48	89.16	100.26	—
	Quick ratio		61.01	59.73	75.21	81.24	89.03	—
	Interest coverage ratio		1,858.77	2,032.26	6,145.80	3,105.72	8,198.42	—
Operating ability	Receivables turnover (times)		3.41	2.14	4.75	5.10	4.13	—
	Average collection days		107.03	170.56	76.84	71.56	88.37	—
	Inventory turnover (times)		5.53	6.74	12.94	7.32	8.35	—
	Payables turnover (times)		11.52	6.09	11.71	4.39	2.26	—
	Average days of sales		66.00	54.15	28.2	49.86	43.71	—
	Turnover of property, plant and equipment (times)		1.32	1.98	7.83	8.90	10.21	—
	Total asset turnover (times)		0.03	0.05	0.24	0.27	0.28	—
Profitability	Return on assets (%)		4.88	3.73	9.16	4.93	12.18	—
	Return on equity (%)		6.87	5.54	13.79	7.52	19.68	—
	Net income before tax to paid-in capital ratio (%)		173.26	121.90	367.35	163.48	400.81	—
	Net profit margin (%)		131.25	61.11	36.62	17.48	41.78	—
	Earnings per Share (NT\$) (Note 1)		15.14	11.31	27.65	14.63	36.31	—
Cash flows	Cash flow ratio (%)		36.60	3.26	40.12	-19.12	2.95	—
	Cash flow adequacy ratio (%)		84.49	73.90	67.15	42.60	84.74	—
	Cash reinvestment ratio (%)		10.50	-4.52	16.86	-15.61	-4.12	—
Leverage	Operating leverage		7.72	10.13	18.49	14.66	5.35	—
	Financial leverage		-8.27	2.51	1.35	1.20	1.05	—

Please specify the reasons for the changes in the financial ratios for the last five years (Analysis is not needed when increase/decrease is less than 20%)

Note 1: Calculated at the number of shares that is derived after retrospectively adjusting for recapitalization of capital surplus, earnings, and employee bonuses.

Note 2: The financial information for the most recent 5 years has been audited and attested by CPAs.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2023 that have been reviewed by an independent auditor was not available.

The reasons for changes in the financial ratios of 2022 reaching 20% when compared with the 2021 level are stated as follows:

- **Debt to total assets (%)**
Mainly due to the decline in revenue this year, the relative decrease in total assets and total liabilities resulted in a decrease in the ratio.
- **Interest coverage ratio**
The central bank raised interest rates this year, interest expenses and pre-tax net profit both increased, resulting in a decrease in the ratio.
- **Accounts payable turnover ratio; Average inventory turnover days**
The average inventory balance and the average payable balance decreased this year, resulting in an increase in the payable turnover rate and an increase in the average sales days.
- **Long-term capital to fixed assets ratio; Property, plant and equipment turnover rate:**
The property, plant, and equipment turnover rate decreased due to increase in the ratio of long-term capital to fixed assets as a result of the decrease in the amount of property, plant and equipment.
- **Accounts receivable turnover ratio; Average collection days; Total assets turnover; Return on assets; Return on equity; Profit before tax to capital stock; Net profit margin; Earnings per share:**
Mainly due to the impact of China's lockdown policy, the operating income and the average balance of receivables decreased, resulting in a decrease in the average number of days for cash collection, but the increase in profits resulted in an increase in related ratios.
- **Cash flow ratio; cash reinvestment ratio:**
Because cash inflows from operating activities for the current year decreased, all cash flow ratios declined correspondingly.
- **Operating leverage; financial leverage:**
The decrease in operating profit for the year caused the operating leverage to decrease and the financial leverage to decrease.

Formulas for financial analysis

1. Financial structure

- (1) Debt asset ratio = total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (Value of equity+ Non-current liabilities) / net amount of property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Interest coverage ratio = net income before income tax and interest expenses / interest expenses for this period.

3. Operating ability

- (1) Receivables (including accounts receivable and business-related notes receivable) turnover ratio = net sales / average balance of receivables for each period(including accounts receivable and business-related notes receivable).
- (2) Average collection days = 365 / receivables turnover.
- (3) Inventory turnover = cost of goods sold / average amount of inventory.
- (4) Payables (including accounts payable and business-related notes payable) turnover = cost of goods sold / average balance of payables for each period(including accounts payable and business-related notes payable).
- (5) Average days of sales = 365 / inventory turnover.
- (6) Property, plant and equipment turnover = net sales / average net amount of property, plant and equipment.
- (7) Total assets turnover = net sales / total average assets.

4. Profitability

- (1) Return on assets = [profit and loss after tax + interest expenses * (1 - tax rate)] / total average assets.
- (2) ROE = income after tax/net average equity
- (3) Net profit margin = profit and loss after tax / net sales.
- (4) Earnings per share = (Profit and loss attributable to owners of parent - stock dividends of preferred stocks) / weighted average number of outstanding shares.

5. Cash flows

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = net cash flows from operating activities in the past five years / (capital expenditure + increase in inventory+ cash dividends) in the past five years.
- (3) Cash re-investment ratio = (net cash flows from operating activities - cash dividends) / (gross amount of property, plant and equipment + long-term investment+ other non-current assets + operating capital). (Note 5)

6. Leverage

- (1) Operating leverage = (Net sales – variable operating cost and expenses) / operating profit (Note 6):
- (2) Financial leverage = operating profit / (operating profit - interest expense).

III. Audit Committee Review Report for the Most Recent Year

Catcher Technology Co., Ltd.

Audit Committee Review Report

The Board of Directors has prepared and presented the Company's 2022 financial statements, which have been audited and attested by Deloitte & Touche Taiwan, with an unqualified opinion. The above-mentioned financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. In accordance with the provisions stipulated in Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act, the Audit Committee hereby submits the financial statements for your review and perusal.

To:

The 2023 General Shareholders' Meeting of Catcher Technology Co., Ltd.

Audit Committee Convener:



February 23, 2023

IV. Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, a 2-year comparative balance sheet, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and any related notes or attached appendices.

Refer to Appendix 1 of this Annual Report.

V. A parent company only financial statement for the most recent fiscal year, certified by a certified public accountant, the statements of major accounting items excluded.

Refer to Appendix 2 of this Annual Report.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current year up to the date of publication of this annual report, the resulting effects on the Company's financial status shall be disclosed.

None.

Chapter 7. Discussion and analysis of financial standing and financial performance and risks

I. Financial position

(I) Main reasons for any material change in the Company's assets, liabilities, or equity during the past 2 fiscal years, and the effect thereof

Unit: Thousand NTD

Year Item	End of 2022	End of 2021	Difference	
			Amount	%
Current assets	188,978,494	195,318,132	-6,339,638	-3%
Property, plant and equipment	14,338,395	17,868,347	-3,529,952	-20%
Intangible assets	22,707	57,707	-35,000	-61%
Other assets	38,223,094	33,658,617	4,564,477	14%
Total assets	241,562,690	246,902,803	-5,340,113	-2%
Current liabilities	69,192,236	89,233,095	-20,040,859	-22%
Non-current liabilities	6,567,842	6,242,986	324,856	5%
Total liabilities	75,760,078	95,476,081	-19,716,003	-21%
Equity attributable to owners of parent	165,791,569	151,377,133	14,414,436	10%
Share capital	7,144,671	7,616,181	-471,510	-6%
Capital reserve	18,771,534	20,008,824	-1,237,290	-6%
Retained earnings	142,119,848	144,179,403	-2,059,555	-1%
Other equity	-2,244,484	-16,961,466	14,716,982	-87%
Treasury stock	0	-3,465,809	3,465,809	-100%
Non-controlling interests	11,043	49,589	-38,546	-78%
Total equity	165,802,612	151,426,722	14,375,890	9%

Analysis of changes in the percentage of increase or decrease in 2022 over 2021:

- Intangible assets decreased mainly due to amortization this year for the professional technology, “next-generation integrated electrosurgery system”, purchased in the previous year.
- Non-controlling interests decreased mainly due to subsidiaries’ distributing earnings.

(II) Effects on the financial position of the past two years

No significant impact on financial position.

(III) Future countermeasures:

N/A.

II. Financial performance

(I) Main reasons for any material change in operating revenues, operating profit, or pre-tax profit during the past 2 fiscal years

Unit: Thousand NTD

Year	2022	2021	Increase (decrease)	Change
Item	Amount	Amount	Amount	Percentage (%)
Operating income	27,820,529	41,094,979	-13,274,450	-32%
Operating margin	8,866,897	13,569,127	-4,702,230	-35%
Operating profit or loss	4,968,798	8,760,121	-3,791,323	-43%
Non-operating income and expenses	11,574,249	3,310,531	8,263,718	2%
Net profit before tax	16,543,047	12,070,652	4,472,395	37%
Net profit of continuing operations for this period	10,896,238	8,596,283	2,299,955	27%
Losses from discontinued operations	—	—	—	—
Net income for the period	10,896,238	8,596,283	2,299,955	27%
Other comprehensive income (OCI) for this period (net amount after tax)	14,750,312	-2,569,796	17,320,108	-674%
Total comprehensive income for this period	25,646,550	6,026,487	19,620,063	326%
Profit attributable to owners of parent	10,902,179	8,575,044	2,327,135	27%
Profit attributable to non-controlling interests	-5,941	21,239	-27,180	-128%
Total comprehensive income attributable to owners of parent	25,647,939	6,006,701	19,641,238	327%
Total comprehensive income attributable to non-controlling interests	-1,389	19,786	-21,175	-107%
Earnings per share	15.14	11.31	4	34%

Analysis of changes in the percentage of increase or decrease in 2022 over 2021:

- All ratios decreased in the current year mainly because of the lockdown policies in China

decreasing operating revenue and increasing overall profit.

(II) Sales volume forecasts for the following year and the basis therefor

This is not applicable as the Company did not prepare or disclose its financial forecasts.

(III) Effect on the Company's business and financial affairs; responsive measures

No significant effect on the business and financial affairs.

III. Cash flows

Unit: Thousand NTD

Opening cash balance (A) (December 31, 2021)	Cash flow from operating activities over the entire year (B) (2022)	Cash inflow from investing activities and wealth management activities (C) (2022)	Effects of exchange rate changes on cash and cash equivalents D (2022)	Cash balance (insufficient) Sum of A, B, C, and D (December 31, 2022)	Remedial measures for cash deficit	
					Investment plan	Finance plan
\$53,115,285	\$13,649,046	-\$16,751,615	\$7,516,653	\$57,529,369	—	—

(I) Description and analysis of cash flow changes

- Cash inflow from operating activities amounted to NT\$13,649,046 thousand mainly due to continuous profits derived by the Group, the cash from collection of accounts receivable.
- Cash inflow from investing activities amounted to NT\$16,598,847 thousand mainly due to the disposal of financial assets measured at fair value of other comprehensive income, disposal of financial assets at amortized costs, and interest received.
- Cash outflow from financing activities amounted to NT\$33,350,462 thousand mainly due to cash dividends distribution, treasury shares buyback, and loan repayments.

(II) Corrective actions responsive to insufficient liquidity

N/A.

(III) Cash flow analysis for the coming year

N/A.

IV. Effect of Capital Expenditure on Financial Performance in the Most Recent Year

(I) Status of significant capital expenditures and sources of funds

Plan item	Actual or expected sources of capital	Actual or expected completion date	Expected benefits
Construction of factory	Own fund; Bank loans	In progress	Provide and plan a good work environment to meet the requirements for the Company's sustainable management.
Acquisition of equipment			Expand production capacity; strengthen the Company's competitiveness; improve operating efficiency; and benefit shareholders.

V. Re-investment policy in the past year, respective profit/loss and main reasons, improvement plan, and investment plan for the coming year:

(I) The Company's reinvestment policy

In response to strategic transformation, the Company fully leverages its core competitiveness in materials science, precision production, and surface treatment, as well as its immense resources accumulated over years, so as to pursue synergy and expand internal organic growth. Meanwhile, the Company pursues opportunities at home and abroad for investment and M&A that would facilitate long-term development, so as to diversify own portfolio, to establish medium- and long-term growth momentum, and to have these new fields become the pillars of development after its transformation. Each investment project has been prudently evaluated to ensure that the objectives of growth and profits can be achieved. The Company also has a good grasp of investees' operating status at all times and analyzes investment performance, so as to provide a basis for the decision-makers to carry out follow-up assessment, a type of post-investment management.

(II) Reasons for profit or loss for 2022

Gains from investment recognized in 2022 reached NT\$5,493,049 thousand, mainly contributed by the profits of subsidiaries.

VI. Assessment of risks

(I) Impact of interest rate and exchange rate changes and inflation on the company's income in the most recent fiscal year and up to the publication date of this Annual Report and future response measures

1. Interest rate risk:

The Company's interest rate risk mainly comes from short-term liabilities that fund operating activities. However, their interest rate risk is low because liabilities with stable interest rates and lower costs are used as financing tools. The Company's assets are mainly invested in short-term fixed income bonds or time deposits that are highly liquid in order to mitigate risk and secure investment principal.

2. Exchange rate risk:

The Company's product revenue is mainly collected in USD while acquisition of machinery and equipment is mainly paid in JPY. Upholding a stable and robust foreign exchange strategy, the Company dynamically adjusts its asset and liability positions denominated in foreign currencies and, where appropriate, uses hedging tools to mitigate the effect of exchange rate changes on the Company's overall operations.

3. Inflation risk:

Regarding the price fluctuations in 2022, the consumer price index (CPI) of the year increased by 2.95%, reaching a 14-year high. The main cause is the continued bottleneck in the global supply chain. Together with geopolitical conflicts, this has led to sharp increases in international commodity prices, which has driven the raw material import costs in Taiwan and exacerbated inflation in the country. The Directorate-General of Budget, Accounting and Statistics predicts a 2.16% increase in CPI in 2023. The Company will continue to focus on the overall economic situation and changes to inflation in Taiwan and abroad. We will adjust our inventory levels accordingly to respond to any possible impact.

(II) Policy regarding high-risk, high-leverage investments, loans to others, endorsements, guarantees, and derivatives, reasons for profit or loss, and response measures in the most recent fiscal year and up to the publication date of this Annual Report:

The Company did not engage in any high-risk or highly-leverage investments. Except with subsidiaries controlled by the Company or when business requires so, in principle, the Company does not make any endorsement or guarantee, nor loans funds to others, but complies with its Procedures for Loaning Funds to Others and Procedures for Making Endorsement and Guarantee. In addition, the Company engages in derivatives transaction not for the purpose of trading, but for hedging the risks of its foreign currency position and lowering the risk of exchange rate changes; each financial transaction is conducted in accordance with its Procedures for Acquisition and Disposal of Assets and its Procedures for Engagement in Derivatives Trading.

(III) Future R&D projects and estimated R&D expenditure

To maintain the Company's role as an industry leader, we are constantly expanding the application of different materials, composites, high-strength materials, high-resilience materials, low electromagnetic shielding materials, and high frequency penetrable materials, and improving advanced technologies, so as to move towards smart production. Having been engaged in basic materials science, surface physics, and chemical processing, Catcher leverages its core capabilities to use different materials in different forming processes. Coupled with diversified secondary processing technologies and surface treatment technologies, Catcher is able to provide a wider and deeper range of products and technologies with high precision, high added-value, and high availability for mass production.

We are currently developing enclosure cases and mechanisms made of special magnesium alloy, aluminum alloy, stainless steel, carbon (glass) fiber, plastics, powder, and other metals; laser engraving/seamless welding technology, metal/plastic seamless overmolding technology, etching/multi-color process with anodizing process technology, and high-precision large metallic enclosure case extrusion technology; and carbon fiber composite sheets. Furthermore, the Company is also actively expanding into other niche products that can use our existing production technologies to diversify our product deployment.

As mobile devices move toward higher-frequency, higher-speed, and higher-level computing designs, 5G and cooling have become important issues. This change also represents new challenges and opportunities for Catcher and component factories. Catcher will invest more resources in research and development in this field. Catcher's R&D expenses for 2022 reached NT\$1,494,209 thousand, accounting for 5.37% of the consolidated revenue. Its R&D budget for 2023 is expected to stand at somewhere between 2% to 4% of the consolidated revenue.

(IV) Impact of key domestic or international policy or industry changes on the company's finances and sales and response measures in the most recent fiscal year and up to the publication date of this Annual Report

The Company has assigned dedicated personnel to be responsible for attending to changes in important policies and laws, both at home and abroad, at any time, and suggesting and planning responsive measures by consulting legal and accounting experts where appropriate. Changes in laws and regulations in 2021 and up to the publication date of this annual report

did not have any significant effect on the Company's finance and business matters.

(V) Impact of technological and industry developments on the company's finance and sales and response measures in the most recent fiscal year and up to the publication date of this Annual Report:

The Company pays close attention to, collects, and analyzes the changes in the markets and technologies for mechanisms of different materials, so as to minimized the adverse impact that comes with industrial and technological revolution. Meanwhile, the Company also enhances development of products of high added-value and high profits in order to diversify its product portfolio and move its products to a higher end, thereby ensuring a stable profit source. The Company leverages excellent manufacturing process technologies to deepen and widen existing strategic alliance with customers with respect to product design, mass production, logistics support, distribution, and after-sales services, so as to strengthen the common-good relationship with them.

The technological changes and industry changes in 2022 and up to the publication date of this annual report did not have any significant effect on the Company's finance and business matters.

In response to the risks and shocks brought by technological or industrial changes that might potentially impact its finance and business affairs, the Company has formulated its cyber security management strategies and structure, as well as measures responsive to cyber security risks, detailed as follows:

1. Cyber security management strategies and structure

(1) Cyber security risk management structure

Cyber security governance body

In order to effectively promote and handle the various tasks of the Company's information security management system, the Company has established the information security action team to formulate the directions and strategies for information security development, thereby ensuring the stable operation of the information security management system. The information security action team is composed of the convener, executive secretary, information security management team, emergency response team (mission type), and the audit team.

Information Security Action Team

The Company's information security management decision-making organization which

comprehensively manages the affairs of the information security action team.

Information Security Management Team

It is responsible for the planning, establishment, implementation, maintenance, review, and continued improvement of the information security management system of the Company's IT system. It reports information security related issues to the information security action team. It coordinates with the information security management team to confirm the audit schedule, supervises the audits, and corrects preventive and improvement measures.

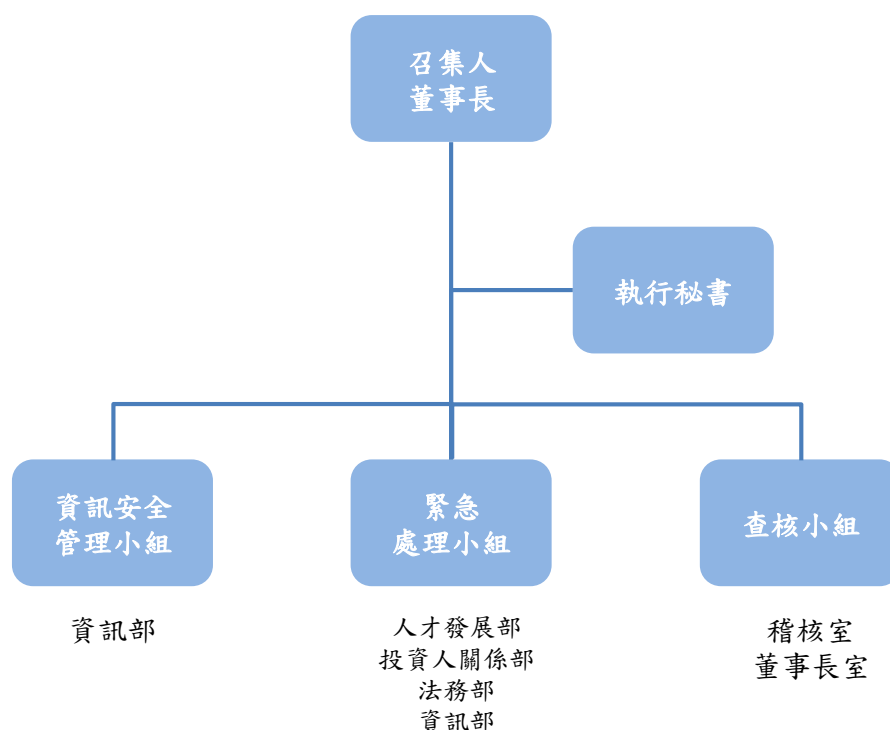
Emergency Response Team

Established according to the mission. When a major information security incident occurs, it is responsible for developing, maintaining, updating, and implementing various disaster recovery procedures.

Audit Team

It is responsible for stipulating information security related audit plans, conducting audit operations, and tracking corrective and preventive measures for non-compliant matters.

The Company's cyber security organizational structure



(2) Cybersecurity Policies:

Cyber security management strategy

In order to protect the Company's products and services, to prevent unauthorized access, editing, use, and disclosures, as well as damage caused by natural disasters, and to provide complete and usable information in a timely manner, the Company is dedicated to information security management to ensure the confidentiality, integrity, and availability of the Company's important information property. The Company also complies with relevant laws and regulations, thereby earning the trust of customers, fulfilling our commitment to shareholders, and ensuring the continued operation of the Company's important businesses.

- 1.1. "Participation by all employees to improve information security awareness": By raising awareness among all employees, we can achieve the idea of everyone being responsible for information security.
- 1.2. "Active prevention to implement information security management": Establish various information security technologies, introduce the information security management system, and implement PDCA for continuous improvements.
- 1.3. "Customer trust for ensuring sustainable management": Provide a safe production environment that is trusted by customers to ensure the sustainable management of company operations.

Specific information security management solutions

In order to demonstrate our determination to implement information security management, and to ensure that all information and IT systems are properly protected, the Company establishes, records, implements, and maintains information security management systems according to the requirements of ISO/IEC 27001:2013, and continues to improve the effectiveness of the system.

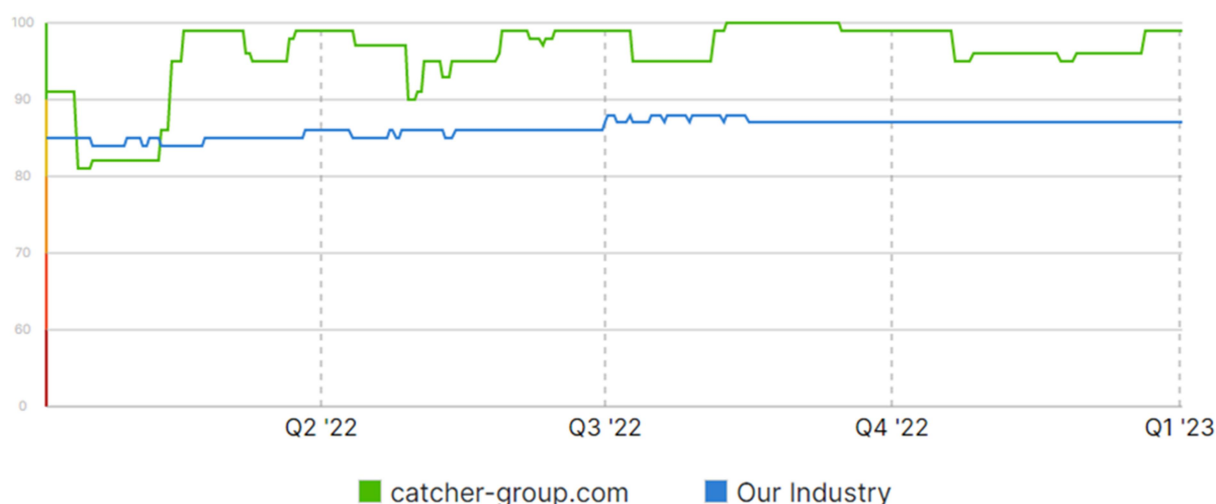
Objective:

1. Adopt appropriate protective and preventive measures for all stored and transmitted information.
2. Reduce the impact of information security incidents such as damage, theft, leaks, tampering, misuse, and infringement.
3. Continue to enhance the confidentiality, integrity, and availability of all IT service systems.

The Company has established corresponding mechanisms at all levels to ensure the confidentiality, integrity, and availability of the company's important information property:

Type	Note	Related control measures
Management System	Establish an information security management system	<ul style="list-style-type: none"> Establish an information security management system according to the international information security management standard ISO27001:2013.
Network and device security	Potential vulnerability and antivirus and anti hacking measures	<ul style="list-style-type: none"> Set up a next-generation firewall to protect the internal network environment. Build a spam filtering and anti-blocking system Establish anti-virus measures and end-point protection. Regular perform virus scans and active malware detection. Regularly scan for software and hardware vulnerabilities and install update patches. Establish machine acceptance virus scanning and application whitelist control mechanisms to prevent malware from entering the Company.
Application system	System availability and handling of service interruption	<ul style="list-style-type: none"> Establish system/network status monitoring and reporting mechanisms Establish system service/data backup and off-site backup mechanisms Formulate measures for responding to service interruptions Formulate business continuity plans and conduct regular drills
Access control	Measures for control of personnel accessing internal and external systems and data transmission channels	<ul style="list-style-type: none"> Establish a management and review mechanism for the authority assigned to various accounts, and regularly conduct inventory Control internal/external data access and record and analyze the activity records Establish a zero-trust VPN channel for employees working outside the office Establish a mobile device management system
Employee training	Continue to establish, promote, and spread employee information security awareness Improve the information security standard	<ul style="list-style-type: none"> Regularly/periodically conduct information security promotion Establish information security education and training for new employees Regularly conduct social engineering drills every year

(3) Specific Information Security Management Achievements



With companies facing a wide variety of network threats, the Company has introduced corporate information security risk rating services to comprehensively inspect whether there are vulnerabilities in the Company's services and networks. At the same time, the Company is reviewing whether the protection, detection, and response mechanisms established by the information security operation and response team are working effectively.

Evaluation results in 2022: Catcher Technology averaged 96 points, while the industry average was 87 points.

2. Cyber security risks and countermeasures:

The Company has established comprehensive information security measures related to the internet and computers. However, it cannot guarantee that third party attacks will not cripple computer systems for managing or maintaining the Company's production operations, accounting, or other important corporate functions. Third-party attacks (through email, internet phishing, brute force attacks, etc.) can install malware in the Company's internal network to damage or steal data. A destructive attack might interrupt the Company's production and operations; a data-theft attack might leak important operational data or personal data of customers and employees. These attacks can lead to the Company being required to compensate customers for delayed or interrupted orders. They may also lead to the Company having to bear the immense cost of implementing corrective or improvement measures to enhance the Company's cyber security system. The Company might also face significant legal liability, such as litigation or regulatory investigation, due to leaks of employee, customer, or third-party data that the Company is obliged to keep confidential. The aforementioned circumstances might severely damage the Company's commitment to customers and other stakeholders, or inflict significant and adverse impacts on the Company's

operational results, financial position, prospects, and reputation.

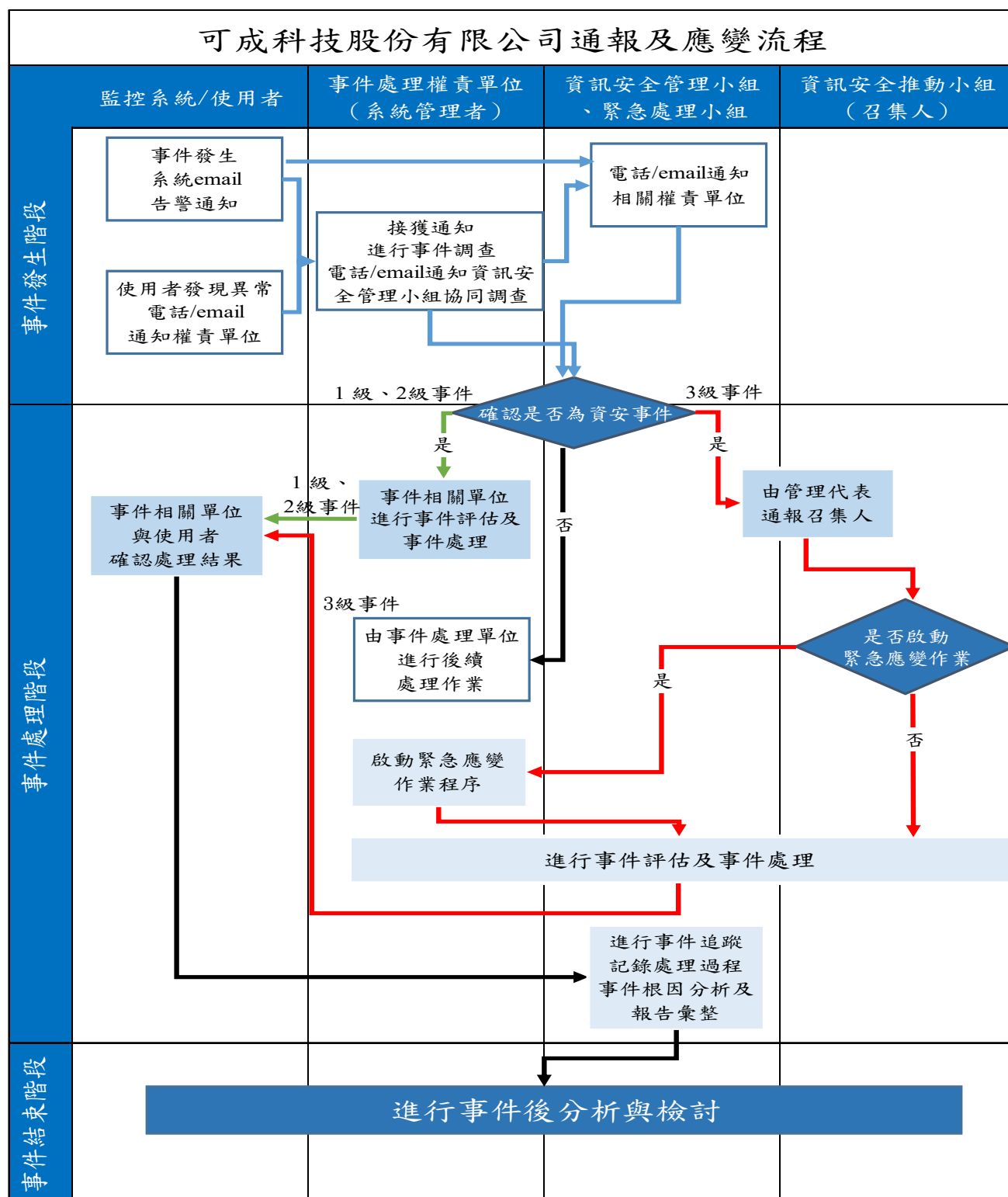
To prevent and reduce the damage caused by such attacks, the Company actively plans and establishes information security measures; it also continues to improve the information security environment and mitigate information security risk by performing the following three measures:

- (1) Systems and regulations: The Company has formulated regulations respecting policy and system, organizational roles and responsibilities, personnel safety, document control, asset management, telecommunication and related operation management, access control, physical environment, system development and maintenance, business continuity management, security incident management, and legal compliance.
- (2) System protection: The Company has established network firewalls, gateway network detection device, introduced Security Rating Service, and launched various information security management measures, such as endpoint detection protection, security information and incident management, email security, automatic detection and update of operating system , virus protection, network admission, social engineering rehearsals, and vulnerability scanning systems, etc. Every year the Company regularly audits the information security management of personnel and organizations, and submits the audit results to our Chairman, so as to control and mitigate information security risks.
- (3) Personnel training: The Company regularly holds educational training courses on information security for new employees; The Company also improves information security knowledge and enhances information security awareness of in-service employees by means of regular educational training, posters, and videos, so as to ensure the incorporation of information security concepts in daily operations. The corrective and preventive procedures can identify problems in a timely manner to reduce the risk of employees leaking confidential group and customer data. The occurrence of any information security incident is immediately reported in accordance with the Company's Information Security Incident Reporting Procedures in order to secure the information security for the Company's production activities and operations.

3. Material cyber security incident

There was no occurrence of material cyber-attacks that would impact the Company's operations in 2022.

The reporting of and response to any information security incident are carried out in compliance with the Information Security Incident Reporting Procedures, which are as follows.



(VI) Impact of corporate image change on crisis management and response measures in the most recent fiscal year and up to the publication date of this Annual Report:

The Company has always upheld a management philosophy of integrity, legal compliance, and social responsibility fulfillment. We have always maintained a good corporate image. As of the publication date of this annual report, no risks have occurred that would significantly impact the Company's normal operations or its corporate image.

(VII) Expected benefits and possible risks of the merger and acquisition in the most recent year and up to the publication date of this annual report, and countermeasures:

As of the publication date of this annual report, the Company did not have any M&A plan.

(VIII) Expected benefits and possible risks of the expansion of factories in the most recent year and up to the publication date of this annual report, and countermeasures:

The Company expanded production capacity at different production bases after proper assessment of industry, cost, and market prospects. Such an expansion of factory scale already took into account customers' actual needs as well as uncertain risks within the market before proceeding to an extent that would achieve both company growth and mitigation of risks. In addition, being a leader in terms of technology and manufacturing processes, and having improved production capacity and yield rate to attain a cost advantage, the Company expanded its factory scale with minimized risk, in the hope to significantly contribute to the Group's profits.

(IX) Concentration risk in procurement or sales and response measures in the most recent fiscal year and up to the publication date of this Annual Report:

A. Risk associated with concentration of sales

The primary sales targets of the Company are disclosed in the Operational Highlights chapter of the Annual Report. Catcher Group's customers are mainly well-known international companies but the concentration of customers is still under control. The Company will continue to observe

the concentration and market changes to make the best adjustments. However, sales is still affected by the market outlook, customer designs, OEM strategies, and the time of inventory adjustments.

B. Risk associated with concentration of purchase

For the Company's major suppliers, refer to the disclosures in the Operational Highlights chapter of the Annual Report. From the perspective of the Group, there has been no major consolidation of procurement.

In terms of Catcher Group's and the industry's growth, the Company will continue to diversify the purchase of goods and the sales targets, in order to maintain a balanced and stable operating model.

(X) Impact of and risks in large transfer or change of equity among directors or principal shareholders with over 10% stake in the company and response measures in the most recent fiscal year and up to the publication date of this Annual Report:

The Company's directors and major shareholders are optimistic about the Company's outlook. However, each shareholder may have their own plans and arrangements based on their personal investments, financing, and taxation. However, based on the Company's interests, and to maintain stable confidence among investors, if a large shift or change in directors and major shareholders is required, it shall be implemented at a suitable time after extensive communication with the Board of Directors and management team to avoid negative impacts and risks for the Company's operations and shareholders' equity. The Company's control of equity is in compliance with the regulations of the competent authority and gives priority to the Company's interest and shareholders' equity.

As of the publication date of this annual report, the Company did not have any major shareholder who held more than 10% of total shares issued.

(XI) Impact of and risks in change of management for the company and responding measures in the most recent fiscal year and up to the publication date of this Annual Report:

There was no change in governance personnel or top management in the most recent year and the current year up to the publication date of this annual report.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

The effects of litigious and non-litigious disputes have been fully disclosed in the financial statements.

(XIII) Other significant risks and countermeasures: None.

VII. Other Important Information

None.

Chapter 8. Special Items to Be Included

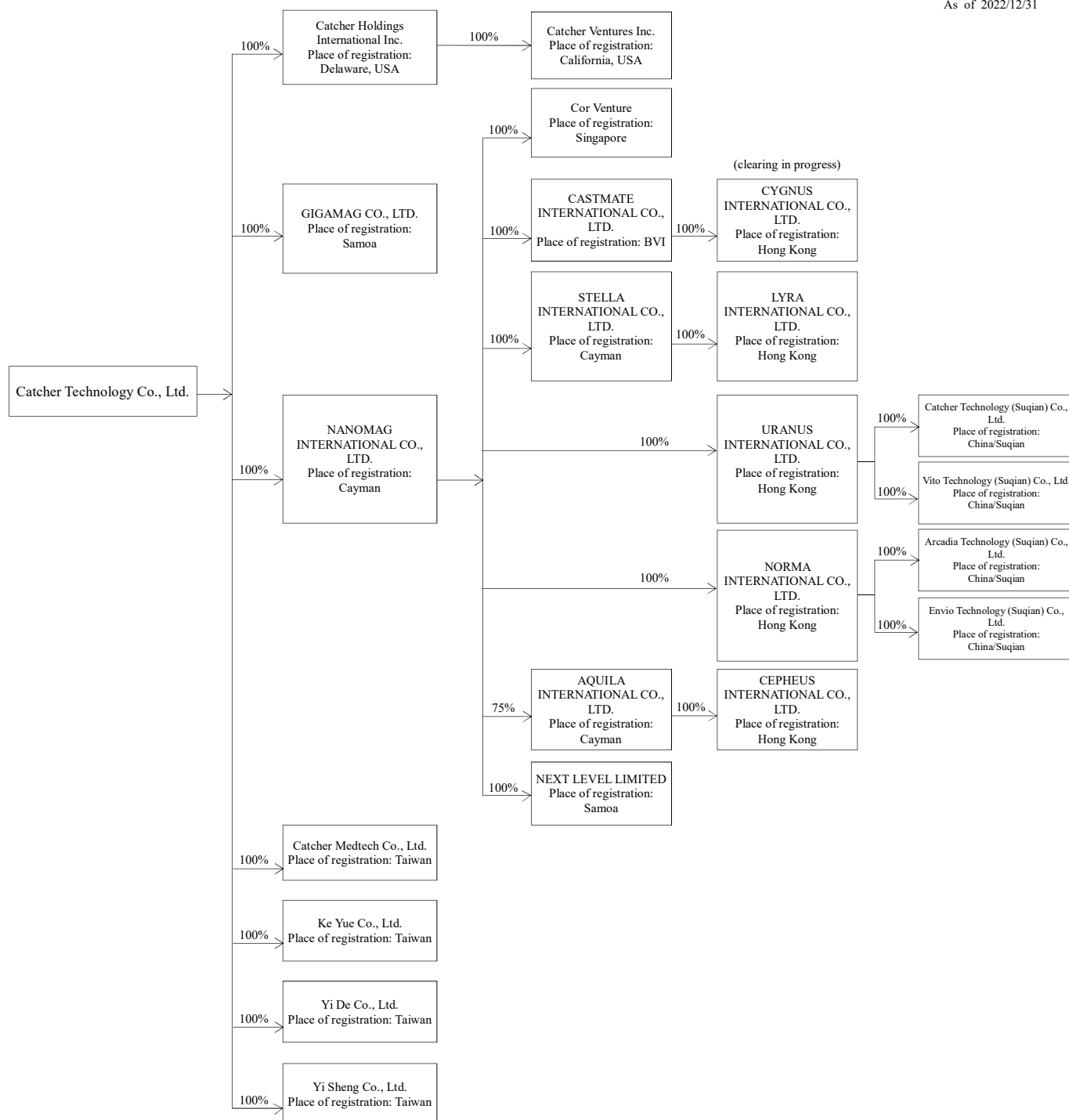
I. Summary of Affiliated Enterprises

(I) Consolidated Business Report of Affiliates

1. Overview of affiliates

Consolidated structure of affiliates (excluding those accounted for using the equity method)

As of 2022/12/31



2. Profiles of affiliates

December 31, 2022; Unit: Thousand NTD

Name of affiliate	Date of establishment	Address	Paid-in capital	Main business
Nanomag International Co., Ltd.	2001.07.19	P.O.Box31119 Grand Pavilion,Hibiscus Way,802 West Bay Road,Grand Cayman,KY1-1205 Cayman Islands	1	Investment activities
Gigamag Co., Ltd.	2000.12.15	Vistra Corporate Services Centre,Ground Floor NPF Building,Beach Road,Apia,Samoa	484,941	Investment activities
Castmate International Co., Ltd.	1998.04.15	Vistra Corporate Services Centre,Wickhams Cay II,Road Town Tortola VG1110,British Virgin Islands	28,127	Investment activities
Stella International Co., Ltd.	2003.11.13	P.O.Box31119 Grand Pavilion,Hibiscus Way,802 West Bay Road,Grand Cayman,KY1-1205 Cayman Islands	9,251,725	Investment activities
Aquila International Co., Ltd.	2005.01.06	P.O.Box31119 Grand Pavilion,Hibiscus Way,802 West Bay Road,Grand Cayman,KY1-1205 Cayman Islands	41,604	Investment activities
Uranus International Co., Ltd.	2007.11.07	Room 1902,19/F,Lee Garden One,33 Hysan Avenue,Causeway Bay,Hong Kong	11,116,401	Investment activities
Norma International Co., Ltd.	2014.09.18	Room 1902,19/F,Lee Garden One,33 Hysan Avenue,Causeway Bay,Hong Kong	8,345,009	Investment activities
Cygnus International Co., Ltd.	2007.11.07	Room 1902,19/F,Lee Garden One,33 Hysan Avenue,Causeway Bay,Hong Kong	278,747	Investment activities
Lyra International Co., Ltd.	2007.11.07	Room 1902,19/F,Lee Garden One,33 Hysan Avenue,Causeway Bay,Hong Kong	1	Investment activities
Cepheus International Co., Ltd.	2007.11.09	Room 1902,19/F,Lee Garden One,33 Hysan Avenue,Causeway Bay,Hong Kong	39,004	Investment activities
Next Level,Ltd.	2019.01.25	Vistra Corporate Services Centre,Ground Floor NPF Building,Beach Road,Apia,Samoa	279	Investment activities
Cor Ventures Pte.Ltd.	2020.03.27	160 Robinson Road, #14-04 Singapore Business Federation Centre,Singapore 068914	1,536,919	Investment activities
Catcher Holdings International Inc.	2022.06.14	3524 Silverside Road Suite 35B Street in the City New Castle of Wilmington,Country of	0	Investment activities
Catcher Ventures Inc.	2022.06.14	14451 Chambers Road Suite 100 Tustin,CA 92780	0	Investment activities
Catcher Technology (Suqian) Co., Ltd.	2008.12.09	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	6,142,000	Manufacturing, selling and developing alloy products
Vito Technology (Suqian) Co., Ltd.	2012.07.11	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	5,868,279	Manufacturing, selling and developing alloy products
Arcadia Technology (Suqian) Co., Ltd.	2014.10.23	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	6,019,799	Manufacturing, selling and developing alloy products
Envio Technology (Suqian) Co., Ltd.	2017.05.18	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	3,013,903	Manufacturing, selling and developing alloy products
Ke Yue Co., Ltd.	2018.03.07	1F, No. 10, Lane 138, RenAi Street, Yanxing Village, YungKang Dist, Tainan City	3,000,000	Investment activities
Yi Sheng Co., Ltd.	2018.03.07	1F, No. 10, Lane 138, RenAi Street, Yanxing Village, YungKang Dist, Tainan City	1,000,000	Investment activities
Yi De Co., Ltd.	2018.03.07	1F, No. 10, Lane 138, RenAi Street, Yanxing Village, YungKang Dist, Tainan City	1,000,000	Investment activities
Catcher Medtech Co., Ltd.	2021.09.24	1st Floor, No. 10, Yongke 5th Road, Yongkang District, Tainan City	20,000	Manufacturing and wholesale of medical devices

3. Shareholders presumed as having both control and subordinate relationship: None.

4. Major businesses of affiliates and their relationships (excluding those accounted for using the equity method)

December 31, 2022

Major business	Name of affiliate	Relationship
Investment activities	Nanomag International Co., Ltd.	Invested in Castmate International Co., Ltd., Stella International Co., Ltd., Aquila International Co., Ltd., Uranus International Co., Ltd., Norma International Co., Ltd., Next Level Ltd., Cor Ventures Pte. Ltd., and Catcher Holdings International Inc.
Investment activities	Gigamag Co., Ltd.	None
Investment activities	Castmate International Co., Ltd.	Invested in Cygnus International Co., Ltd.
Investment activities	Stella International Co., Ltd.	Invested in Lyra International Co., Ltd.
Investment activities	Aquila International Co., Ltd.	Invested in Cepheus International Co., Ltd.
Investment activities	Uranus International Co., Ltd.	Invested in Catcher Technology (Suqian) Co., Ltd. and VITO Technology (Suqian) Co., Ltd.
Investment activities	Norma International Co., Ltd.	Invested in Arcadia Technology (Suqian) Co., Ltd. and Envio Technology (Suqian) Co., Ltd.
Investment activities	Cygnus International Co., Ltd.	None
Investment activities	Lyra International Co., Ltd.	None
Investment activities	Cepheus International Co., Ltd.	None
Investment activities	Next Level Ltd.	None
Investment activities	Ke Yue Co., Ltd.	None
Investment activities	Yi Sheng Co., Ltd.	None
Investment activities	Yi De Co., Ltd.	None
Investment activities	Catcher Medtech Co., Ltd.	None
Investment activities	Cor Ventures Pte. Ltd.	None
Investment activities	Catcher Holdings International Inc.	Invested in Catcher Ventures Inc.
Investment activities	Catcher Ventures Inc.	None
Manufacturing and sales of electronics products	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing alloy products
Manufacturing and sales of electronics products	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing alloy products
Manufacturing and sales of electronics products	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing alloy products
Manufacturing and sales of electronics products	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing alloy products

5. Information on directors, supervisors and president of affiliates (not including the equity method)

December 31, 2022; Unit: shares / %

Company name	Title	Name or representative	Shareholding	
			No. of shares	Percentage
Nanomag International Co.,Ltd.	Director	Catcher Technology Co., Ltd.	30	100%
Gigamag Co.,Ltd.	Director	Catcher Technology Co., Ltd.	14,377,642	100%
Castmate International Co.,Ltd.	Director	Nanomag International Co.,Ltd.	1,009,592	100%
Stella International Co.,Ltd.	Director	Nanomag International Co.,Ltd.	332,079,144	100%
Aquila International Co.,Ltd.	Director	Nanomag International Co.,Ltd.	1,050,000	75%
Next Level Ltd.	Director	Nanomag International Co.,Ltd.	10,000	100%
Uranus International Co.,Ltd.	Director	Shui-Shu Hung	0	0%
Cygnus International Co.,Ltd.	Director	Shui-Shu Hung	0	0%
Lyra International Co.,Ltd.	Director	Shui-Shu Hung	0	0%
Cepheus International Co.,Ltd.	Director	Shui-Shu Hung	0	0%
Norma International Co.,Ltd.	Director	Shui-Shu Hung	0	0%
Cor Ventures Pte.Ltd.	Director	Wei-jou Hung	0	0%
Catcher Holdings International Inc.	Director	Representative of Catcher Technology Co., Ltd.: Yu-yen Lin	0	0%
Catcher Ventures Inc.	Director	Representative of Catcher Technology Co., Ltd.: Yu-yen Lin	0	0%
Ke Yue Co., Ltd.	Chairman	Representative of Catcher Technology Co., Ltd.: Yu-yen Lin	198,390,000	100%
	Director	Representative of Catcher Technology Co., Ltd.: Shih-te Huang	198,390,000	100%
	Supervisors	Representative of Catcher Technology Co., Ltd.: Ming-yu Teng	198,390,000	100%
Yi Sheng Co., Ltd.	Chairman	Representative of Catcher Technology Co., Ltd.: Yu-yen Lin	73,270,000	100%
	Director	Representative of Catcher Technology Co., Ltd.: Chih-Hsing Lin	73,270,000	100%
	Supervisors	Representative of Catcher Technology Co., Ltd.: Ming-yu Teng	73,270,000	100%
Yi De Co., Ltd.	Chairman	Representative of Catcher Technology Co., Ltd.: Yu-yen Lin	73,270,000	100%
	Director	Representative of Catcher Technology Co., Ltd.: Song-ping Liang	73,270,000	100%
	Supervisors	Representative of Catcher Technology Co., Ltd.: Ming-yu Teng	73,270,000	100%
Catcher Medtech Co., Ltd.	Chairman	Representative of Catcher Technology Co., Ltd.: Hsu-yuan Li	2,000,000	100%
	Director	Representative of Catcher Technology Co., Ltd.: Chung-kai Hung	2,000,000	100%
	Supervisors	Representative of Catcher Technology Co., Ltd.: Ming-yu Teng	2,000,000	100%

Company name	Title	Name or representative	Shareholding	
			No. of shares	Percentage
Catcher Technology (Suqian) Co., Ltd.	Director and Chairperson	Uranus International Co., Ltd.	0	0%
		Representative: Chun-lin Kuo		
	Director	Uranus International Co., Ltd.	0	0%
		Representative: I-wen Yang		
	Director	Uranus International Co., Ltd.	0	0%
		Representative: Chin-wen Chuang		
	Supervisors	Uranus International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-Szu Hung	0	0%
Vito Technology (Suqian) Co., Ltd.	Director and Chairperson	Uranus International Co., Ltd.	0	0%
		Representative: Chun-lin Kuo		
	Director	Uranus International Co., Ltd.	0	0%
		Representative: Chin-wen Chuang		
	Director	Uranus International Co., Ltd.	0	0%
		Representative: I-wen Yang		
	Supervisors	Uranus International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-Szu Hung	0	0%
Arcadia Technology (Suqian) Co., Ltd.	Director and Chairperson	Norma International Co., Ltd.	0	0%
		Representative: I-wen Yang		
	Director	Norma International Co., Ltd.	0	0%
		Representative: Chun-lin Kuo		
	Director	Norma International Co., Ltd.	0	0%
		Representative: Chin-wen Chuang		
	Supervisors	Norma International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-Szu Hung	0	0%
Envio Technology (Suqian) Co., Ltd.	Director and Chairperson	Norma International Co., Ltd.	0	0%
		Representative: I-wen Yang		
	Director	Norma International Co., Ltd.	0	0%
		Representative: Chun-lin Kuo		
	Director	Norma International Co., Ltd.	0	0%
		Representative: Chin-wen Chuang		
	Supervisors	Norma International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-Szu Hung	0	0%

6. Operational highlights

Unit: Thousand NTD December 31, 2022

Company name	Paid-in capital (period-end)	Total assets	Total liabilities	Net worth	Sales revenue	Operating profit (loss)	Net profit for the current period	Earnings per share (NT\$)
Nanomag International Co., Ltd.	1	159,626,639	7,306,357	152,320,281	0	-91,439	4,389,067	146,302,233
Gigamag Co., Ltd.	484,941	1,934,120	20	1,934,100	629,422	949,012	929,850	65
Castmate International Co., Ltd.	28,127	155,318	21	155,297	0	-104	13,998	14
Cygnus International Co., Ltd.	278,747	0	0	0	0	-164	10,628	1
Stella International Co., Ltd.	9,251,725	17,852,484	1,336,898	16,515,586	0	-1,655,134	-1,210,464	-4
Lyra International Co., Ltd.	1	20,609	72	20,537	0	-3,603	19,303	0
Uranus International Co., Ltd.	11,116,401	19,138,336	66	19,138,270	0	-177	757,156	2
Norma International Co., Ltd.	8,345,009	13,689,630	64	13,689,566	0	-205	4,897,844	16
Aquila International Co., Ltd.	41,604	44,247	76	44,171	0	2,316	-23,763	-17
Cepheus International Co., Ltd.	39,004	0	0	0	0	-2,704	-26,650	-19
Next Level Ltd.	279	1,529,592	1,139,347	390,244	1,354,151	-43	35,390	3,539
Cor Ventures Pte.Ltd.	1,536,919	1,533,669	3,094	1,530,575	0	-27,995	-257,429	-5
Ke Yue Co., Ltd.	3,000,000	2,910,830	82	2,910,748	0	-32,545	-55,099	0
Yi Sheng Co., Ltd.	1,000,000	1,069,366	5,694	1,063,672	0	-97	49,575	1
Yi De Co., Ltd.	1,000,000	1,091,072	8,189	1,082,883	0	-97	51,487	1
Catcher Medtech Co., Ltd.	200,000	209,027	13,604	195,423	0	-5,310	-4,586	-2
Catcher Technology (Suqian) Co., Ltd.	6,142,000	11,090,479	1,367,877	9,722,603	5,095,390	-541,285	256,421	Note
Vito Technology (Suqian) Co., Ltd.	5,868,279	11,162,840	1,749,496	9,413,344	5,727,012	-112,038	393,594	Note
Arcadia Technology (Suqian) Co., Ltd.	6,019,799	17,604,530	7,319,770	10,284,760	15,613,818	4,815,441	4,939,170	Note
Envio Technology (Suqian) Co., Ltd.	3,013,903	3,489,077	85,825	3,403,252	1,315,993	-77,086	131,891	Note

Note: Not applicable to a limited company.

(II) Consolidated Financial Statements of Affiliates

Declaration

Considering that the companies to be included in the consolidated financial statements of affiliates under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises ” were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS10 in 2022 (from January 1, 2022 to December 31, 2022) and the related information to be disclosed in the consolidated financial statements of affiliates were already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

Hereby declares

Company name: Catcher Technology Co., Ltd.

Chairman: Shui-Shu Hung



February 23, 2023

(III) Affiliation Report: None.

II. Private placement of securities in the last year up to the date of this annual report: None.

III. Holding or disposal of shares in the Company by subsidiaries in the most recent year and up to the publication date of this Annual Report: None.

IV. Other Supplemental Information: None.

Chapter 9. Matters Which May Result in a Material Impact on Shareholders' Equity or Share Price, Set Forth in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act in the Most Recent Year and up till the Publication Date of This Annual Report

None.

Attachment I

Catcher Technology Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CATCHER TECHNOLOGY CO., LTD.

By

SHUI-SHU HONG

Chairman

February 23, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Catcher Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Due to the need of some sales customers, the Group places inventory in the shipping warehouses designated by the sales customers. The recognition of sales revenue is based on the reports provided by the customers' designated warehouse custodians, which were checked by the dedicated personnel of the Group. Since shipping warehouses are not directly managed by the Group and the recognition of sales revenue involves manual processing, we considered the authenticity of the sales related to the shipping warehouses a key audit matter for this year.

The main audit procedures that we performed in regard to this key audit matter include:

1. We obtained an understanding and tested the effectiveness of the design of the main internal control and implementation related to the sales revenue of the overseas shipping warehouses.
2. We obtained the record of inventory movements in the shipping warehouses. We selected samples and checked the documents and payment status related to the sales revenue of shipping warehouses. We verified the occurrence of the sales and checked for any anomalies existing in the sales counterparties and the payment recipients.

Other Matter

We have also audited the parent company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matters paragraph.

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements of the Group as of and for the years ended December 31, 2022 and 2021, and some investees accounted for using the equity method as of and for the year ended December 31, 2022, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for certain subsidiaries, some of the investees accounted for using the equity method, and the share of profit of associates, are based solely on the reports of other auditors. The total asset of certain subsidiaries were NT\$1,533,669 thousand and NT\$6,669,132 thousand, accounting for 0.63% and 2.7% of consolidated total assets as of December 31, 2022 and 2021, respectively; the total comprehensive income was NT\$(257,431) and NT\$115,737 thousand, accounting for (1%) and 1.92%, of consolidated total comprehensive income for the years ended December 31, 2022 and 2021, respectively. The balance of the investments accounted for using the equity method was NT\$447,678 thousand, accounting for 0.2% of consolidated total assets as of December 31, 2022; the share of profit of associates was NT\$36,841 thousand, accounting for 0.1% of consolidated total comprehensive income for the year ended December 31, 2022.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 23, 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 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 DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 57,529,369	24	\$ 53,115,285	22
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	189,736	-	3,967,937	2
Financial at fair value through other comprehensive income - current (Notes 4 and 8)	143,609	-	1,870,987	1
Financial assets at amortized cost - current (Notes 4, 9 and 33)	116,953,536	49	122,046,739	49
Trade receivables (Notes 4, 11 and 25)	9,564,795	4	9,665,413	4
Other receivables (Notes 4 and 11)	843,330	-	503,406	-
Current tax assets (Notes 4 and 27)	52,278	-	425,494	-
Inventories (Notes 4, 5, 12 and 34)	3,392,456	1	3,316,762	1
Other current assets (Note 19)	309,385	-	406,109	-
Total current assets	188,978,494	78	195,318,132	79
NON-CURRENT ASSETS				
Financial at fair value through profit or loss - non-current (Notes 4 and 7)	1,298,244	1	958,795	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	3,509,701	2	5,430,345	2
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,738,655	11	21,891,382	9
Investments accounted for using the equity method (Notes 4 and 14)	2,181,179	1	8,050	-
Property, plant and equipment (Notes 4, 15 and 34)	14,338,395	6	17,868,347	7
Right-of-use assets (Notes 4 and 16)	999,332	-	1,016,568	1
Investment properties (Notes 4 and 17)	953,276	-	221,565	-
Intangible assets (Notes 4 and 18)	22,707	-	57,707	-
Deferred tax assets (Notes 4 and 27)	3,440,126	1	4,058,919	2
Other non-current assets (Note 19)	102,581	-	72,993	-
Total non-current assets	52,584,196	22	51,584,671	21
TOTAL	\$ 241,562,690	100	\$ 246,902,803	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 56,696,000	24	\$ 78,031,726	32
Contract liabilities - current (Notes 4 and 25)	42,803	-	32,742	-
Trade payables (Note 21)	2,720,459	1	3,465,780	1
Other payables (Note 22)	5,686,595	2	5,983,148	2
Current tax liabilities (Notes 4 and 27)	3,183,772	1	309,608	-
Lease liabilities - current (Notes 4 and 16)	5,923	-	13,168	-
Other current liabilities (Note 22)	856,684	-	1,396,923	1
Total current liabilities	69,192,236	28	89,233,095	36
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 27)	6,424,940	3	6,100,759	3
Lease liabilities - non-current (Notes 4 and 16)	126,297	-	126,873	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	6,569	-	6,578	-
Other non-current liabilities (Note 22)	10,036	-	8,776	-
Total non-current liabilities	6,567,842	3	6,242,986	3
Total liabilities	75,760,078	31	95,476,081	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital - ordinary shares	7,144,671	3	7,616,181	3
Capital surplus	18,771,534	8	20,008,824	8
Retained earnings				
Legal reserve	22,354,680	9	21,497,294	8
Special reserve	16,961,466	7	14,394,310	6
Unappropriated earnings	102,803,702	43	108,287,799	44
Total retained earnings	142,119,848	59	144,179,403	58
Other equity	(2,244,484)	(1)	(16,961,466)	(7)
Treasure shares	-	-	(3,465,809)	(1)
Total equity attributable to owners of the Company	165,791,569	69	151,377,133	61
NON-CONTROLLING INTERESTS	11,043	-	49,589	-
Total equity	165,802,612	69	151,426,722	61
TOTAL	\$ 241,562,690	100	\$ 246,902,803	100

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 25)	\$ 27,820,529	100	\$ 41,094,979	100
OPERATING COSTS (Notes 12, 23 and 26)	<u>18,953,632</u>	<u>68</u>	<u>27,525,852</u>	<u>67</u>
GROSS PROFIT	<u>8,866,897</u>	<u>32</u>	<u>13,569,127</u>	<u>33</u>
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	374,384	1	412,142	1
General and administrative expenses	2,080,795	8	2,714,528	7
Research and development expenses	1,494,209	5	1,682,336	4
Expected credit gain	<u>(51,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>3,898,099</u>	<u>14</u>	<u>4,809,006</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>4,968,798</u>	<u>18</u>	<u>8,760,121</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 14, 26 and 29)				
Interest income	4,313,238	15	822,797	2
Other income	1,088,373	4	2,207,343	5
Foreign exchange gains (losses), net	8,200,548	30	(2,428,032)	(6)
Other losses (gains)	(1,321,555)	(5)	3,194,966	8
Interest expense	(704,063)	(3)	(483,010)	(1)
Expected credit loss	(76,671)	-	-	-
Share of profit or loss of associates	<u>74,379</u>	<u>-</u>	<u>(3,533)</u>	<u>-</u>
Total non-operating income and expenses	<u>11,574,249</u>	<u>41</u>	<u>3,310,531</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	16,543,047	59	12,070,652	29
INCOME TAX EXPENSE (Notes 4, 27 and 29)	<u>5,646,809</u>	<u>20</u>	<u>3,474,369</u>	<u>8</u>
NET PROFIT	<u>10,896,238</u>	<u>39</u>	<u>8,596,283</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(31,564)	-	5,617	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 14,861,927	53	\$ (2,534,112)	(6)
Unrealized gain (loss) on investment in debt instrument at fair value through other comprehensive income	<u>(80,051)</u>	<u>-</u>	<u>(41,301)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>14,750,312</u>	<u>53</u>	<u>(2,569,796)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 25,646,550</u>	<u>92</u>	<u>\$ 6,026,487</u>	<u>15</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,902,179	39	\$ 8,575,044	21
Non-controlling interests	<u>(5,941)</u>	<u>-</u>	<u>21,239</u>	<u>-</u>
	<u>\$ 10,896,238</u>	<u>39</u>	<u>\$ 8,596,283</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 25,647,939	92	\$ 6,006,701	15
Non-controlling interests	<u>(1,389)</u>	<u>-</u>	<u>19,786</u>	<u>-</u>
	<u>\$ 25,646,550</u>	<u>92</u>	<u>\$ 6,026,487</u>	<u>15</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 15.14</u>		<u>\$ 11.31</u>	
Diluted	<u>\$ 15.11</u>		<u>\$ 11.24</u>	

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(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 Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	\$ (14,326,474)	\$ (67,836)	\$ (14,394,310)	\$ -	\$ 157,975,065	\$ 96,537	\$ 158,071,602
Appropriation of the 2020 earnings (Note 24)												
Legal reserve	-	-	1,965,163	-	(1,965,163)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,205,804	(2,205,804)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,139,417)	-	-	-	-	(9,139,417)	-	(9,139,417)
Overdue unclaimed dividends of shareholders	-	593	-	-	-	-	-	-	-	593	-	593
Net profit for the year ended December 31, 2021	-	-	-	-	8,575,044	-	-	-	-	8,575,044	21,239	8,596,283
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,532,659)	(35,684)	(2,568,343)	-	(2,568,343)	(1,453)	(2,569,796)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	8,575,044	(2,532,659)	(35,684)	(2,568,343)	-	6,006,701	19,786	6,026,487
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,187)	-	1,187	1,187	-	-	-	-
Buy back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(3,465,809)	(3,465,809)	-	(3,465,809)
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(66,734)	(66,734)
BALANCE AT DECEMBER 31, 2021	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
Appropriation of the 2021 earnings (Note 24)												
Legal reserve	-	-	857,386	-	(857,386)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,567,156	(2,567,156)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,297,531)	-	-	-	-	(7,297,531)	-	(7,297,531)
Changes from investments in associates accounted for using the equity method	-	-	-	-	(355)	-	-	-	-	(355)	-	(355)
Overdue unclaimed dividends of shareholders	-	1,192	-	-	-	-	-	-	-	1,192	-	1,192
Net profit for the year ended December 31, 2022	-	-	-	-	10,902,179	-	-	-	-	10,902,179	(5,941)	10,896,238
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	-	14,857,375	(111,615)	14,745,760	-	14,745,760	4,552	14,750,312
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,902,179	14,857,375	(111,615)	14,745,760	-	25,647,939	(1,389)	25,646,550
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	28,778	-	(28,778)	(28,778)	-	-	-	-
Buy-back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(3,936,809)	(3,936,809)	-	(3,936,809)
Cancelation of treasury shares (Note 24)	(471,510)	(1,238,482)	-	-	(5,692,626)	-	-	-	7,402,618	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(37,157)	(37,157)
BALANCE AT DECEMBER 31, 2022	\$ 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

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

(With Deloitte & Touche auditors’ report dated February 23, 2023)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 16,543,047	\$ 12,070,652
Adjustments for:		
Depreciation expense	3,406,043	4,861,668
Amortization expense	44,388	56,971
Expected credit loss	25,382	-
Net loss (gain) on financial instruments at fair value through profit or loss	1,207,127	(385,336)
Interest expense	704,063	483,010
Net loss on disposal of financial assets	175,820	324
Interest income	(4,313,238)	(822,797)
Dividend income	(102,502)	(79,490)
Share of (profit) loss of associates	(74,379)	3,533
Gain on disposal of property, plant and equipment	(329,781)	(394,635)
Loss (gain) on disposal of subsidiaries	9,883	(2,782,368)
Unrealized gain on foreign currency exchange	(347,739)	(511,224)
Changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables	236,172	7,537,771
Other receivables	49,507	63,608
Inventories	202,771	2,701,094
Other current assets	(7,651)	(52,196)
Contract liabilities	10,061	43,815
Trade payables	(788,137)	(4,195,540)
Other payables	(924,971)	(874,837)
Other current liabilities	(634,129)	(917,308)
Net defined benefit liabilities	(9)	20
Other non-current liabilities	-	(10)
Cash generated from operations	15,091,728	16,806,746
Dividends received	100,622	79,490
Income tax paid	(1,543,304)	(7,360,949)
Net cash generated from operating activities	13,649,046	9,525,287
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(813,285)	(7,098,239)
Proceeds from sale of financial at fair value through other comprehensive income	3,341,771	368,687
Purchase of financial assets at amortized cost	(329,729,105)	(381,385,262)
Proceeds from sale of financial assets at amortized cost	338,139,804	325,065,955
Purchase of financial assets at fair value through profit or loss	(7,283,270)	(10,130,371)
Proceeds from disposals of financial assets at fair value through profit or loss	9,225,397	5,742,348
Net cash inflow on disposal of subsidiaries (Note 29)	-	5,014,762
Payments for property, plant and equipment	(468,951)	(981,815)
Proceeds from disposal of property, plant and equipment	478,102	422,523

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CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Increase in refundable deposits	\$ (13,357)	\$ (44,113)
Decrease in refundable deposits	2,330	61,102
Payments for intangible assets	-	(34,996)
Payments for investment properties	-	(410)
Interest received	3,608,787	737,013
Dividends received from associates	<u>110,624</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>16,598,847</u>	<u>(62,262,816)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	406,059,178	321,126,452
Repayments of short-term borrowings	(427,394,904)	(313,560,452)
Proceeds from guarantee deposits received	22,909	16,153
Refunds of guarantee deposits received	(14,888)	(13,949)
Repayment of the principal portion of lease liabilities	(13,286)	(15,325)
Cash dividends paid	(7,297,490)	(9,139,417)
Payments for buy-back of ordinary shares	(3,981,444)	(3,421,174)
Interest paid	(694,572)	(478,630)
Decrease in non-controlling interests	(37,157)	(66,734)
Proceeds from unclaimed dividends	<u>1,192</u>	<u>593</u>
Net cash used in financing activities	<u>(33,350,462)</u>	<u>(5,552,483)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>7,516,653</u>	<u>(477,684)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,414,084	(58,767,696)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>53,115,285</u>	<u>111,882,981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 57,529,369</u>	<u>\$ 53,115,285</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Catcher Technology Co., Ltd. (the “Company”) was incorporated in November 1984 under the laws of the Republic of China (ROC). The Company mainly manufactures and sells aluminum and magnesium extrusion and stamping products and molds. It also provides 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 being approved by the Company’s board of directors on February 23, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED 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. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

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

- c. The 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 determined by IASB
Amendments to IFRS 16 "Leases 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 9 and IFRS 17 - 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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

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

- 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 are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for assets or liabilities.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. 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).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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 results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and

any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 13, tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary items denominated in foreign currencies and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, assets and liabilities of a foreign operation (including subsidiaries in other countries that use currencies which are different from the currency of the Group) are translated into the New Taiwan dollar at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in associates

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

The Group uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment

when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

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

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

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

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use-asset, investment properties, intangible assets and assets related to contract costs

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are

then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

1. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash

equivalents, investments in debt instruments, accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, commercial papers and repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments

in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables), investments in debt instruments that are measured at FVTOCI at the end of each reporting period.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and

receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of metal casing. Sales of metal casing product are recognized as revenue when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, which is determined for export sales on the bases of the terms of the trade and for domestic sales on the bases of the acceptance date of the counterparty. Accounts receivable are recognized concurrently. Advance receipts are recognized as contract liabilities before the conditions of trade of the products are reached.

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

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the

right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group will use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the

assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

o. Borrowing costs

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

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

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

p. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement

recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

a. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience of product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

b. Income taxes

For the purpose of expanding the Group's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved of the board of directors in previous years that the unappropriated retained earnings of overseas subsidiaries will be used for permanent investment. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings (refer to Note 27). If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. The Group evaluated the optimization of its working capital and tax planning. The board of directors of Nanomag International Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on October 24, 2022, which has been approved by the government. The remaining unappropriated retained earnings of other overseas subsidiaries will still be used for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 1,969	\$ 1,794
Demand deposits in banks	10,794,953	11,352,246
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	46,595,647	41,597,648
Repurchase agreements	136,800	66,050
Commercial paper	-	97,547
	<u>\$ 57,529,369</u>	<u>\$ 53,115,285</u>

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

	December 31	
	2022	2021
Time deposits	0.93%-5.20%	0.17%-2.95%
Repurchase agreements	1.05%	1%
Commercial paper	-	0.3%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ -	\$ 2,223,491
Domestic quoted shares	<u>189,736</u>	<u>1,744,446</u>
	<u>\$ 189,736</u>	<u>\$ 3,967,937</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily at FVTPL		
Non-derivative financial assets		
Private equity funds	\$ 1,026,794	\$ 661,216
Private equity securities	22,309	90,286
Limited partnerships	249,141	132,557
Simple Agreement for Future Equity (SAFE)	<u>-</u>	<u>74,736</u>
	<u>\$ 1,298,244</u>	<u>\$ 958,795</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	December 31	
	2022	2021
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 143,609</u>	<u>\$ 1,870,987</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	\$ 1,342,874	\$ 859,146
Investments in debt instruments at FVTOCI	<u>2,166,827</u>	<u>4,571,199</u>
	<u>\$ 3,509,701</u>	<u>\$ 5,430,345</u>

a. Investments in equity instruments

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Listed shares	\$ 143,609	\$ 1,870,987
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares	\$ 57,330	\$ 36,240
Foreign investments		
Limited partnerships	1,285,544	822,906
	<u>\$ 1,342,874</u>	<u>\$ 859,146</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group invested US\$13,520 thousand and US\$10,386 thousand in China Renewable Energy Fund, L.P. in 2022 and 2021, respectively. The Group accounted for 23.51% of the total investment. In addition, the Group only holds 1 out of 5 seats in the Operation Committee. Therefore, the Group's management considered that it has no significant influence over the investee and classified the investment as financial assets at FVTOCI - non-current.

The Group was elected as 2 directors of the boards of Pacific Hospital Supply Co., Ltd. and Bioteque Corporation in June 2022, respectively. Despite holding less than a 20% stake in each of the aforementioned companies, the Group considers itself to have a 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. Refer to Note 14.

b. Investments in debt instrument

	December 31	
	2022	2021
<u>Non-current</u>		
Foreign corporate bonds	\$ 2,166,827	\$ 4,571,199

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

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 102,265,050	\$ 121,521,790
Restricted bank deposits (a and b)	14,687,274	-
Repurchase agreements (a)	-	523,700
Refundable deposits	<u>1,212</u>	<u>1,249</u>
	<u>\$ 116,953,536</u>	<u>\$ 122,046,739</u>
<u>Non-current</u>		
Domestic investments		
Restricted bank deposits (a and b)	\$ 25,454,889	\$ 21,635,436
Time deposits with original maturity of more than 1 year (a)	282,072	254,196
Refundable deposits	<u>1,694</u>	<u>1,750</u>
	<u>\$ 25,738,655</u>	<u>\$ 21,891,382</u>

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

	December 31	
	2022	2021
Time deposits	0.93%-5.65%	0.12%-2.72%
Repurchase agreements	-	1%-1.2%

- b. Refer to Note 33 for information on financial assets measured at amortized cost - current pledges as security.
- c. Restricted bank deposits are the time deposits and bid bonds deposited into designated bank accounts by the Group in accordance with “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act”.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI as follows:

December 31, 2022

	At FVTOCI
Gross carrying amount	\$ 2,250,937
Less: Allowance for impairment loss	<u>(84,110)</u>
	<u>\$ 2,166,827</u>

December 31, 2021

At FVTOCI

Gross carrying amount \$ 4,571,199

The Group invests in debt instruments with credit rating information supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries.

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

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were shown below:

December 31, 2022

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0%	\$ 2,166,827
Doubtful	100%	84,110

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

The movements of the allowance for impairment loss of investment in debt instruments at FVTOCI were as follows:

	<u>Credit Rating</u> <u>Doubtful</u> <u>(Lifetime</u> <u>ECLs - Not</u> <u>Credit Impaired)</u>
Balance at January 1, 2022	\$ -
Transfers	
From performing to doubtful	76,671
Derecognition	(33,612)
Change in exchange rates or others	<u>41,051</u>
Balance at December 31, 2022	<u>\$ 84,110</u>

The increase in the expected credit loss rate due to the conflict between Russia and Ukraine and related international sanctions resulted in an increase of NT\$76,671 thousand in the allowance for abnormal credit rating of the financial assets measured at fair value through other comprehensive income.

For the year ended December 31, 2022, the Group sold the investment in corporate bonds measured at FVTOCI by NT\$33,049 thousand and derecognized the loss allowance by NT\$33,612 thousand corresponding to its credit rating.

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 9,573,233	\$ 9,722,596
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(57,183)</u>
	<u>\$ 9,564,795</u>	<u>\$ 9,665,413</u>
Other receivables	<u>\$ 843,330</u>	<u>\$ 503,406</u>

a. Trade receivables

The average credit period of sales of goods was 30 to 180 days. No interest was 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 follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both

the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2022

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

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 120 Days	Total
Expected credit loss rate	0%-0.494%	0%-2.366%	0%	
Gross carrying amount	\$ 9,524,803	\$ 197,793	\$ -	\$ 9,722,596
Loss allowance (Lifetime ECLs)	<u>(57,109)</u>	<u>(74)</u>	<u>-</u>	<u>(57,183)</u>
Amortized cost	<u>\$ 9,467,694</u>	<u>\$ 197,719</u>	<u>\$ -</u>	<u>\$ 9,665,413</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31, 2022
Balance at January 1	\$ 57,183
Less: Net remeasurement of loss allowance	(51,289)
Foreign exchange gains and losses	<u>2,544</u>
Balance at December 31	<u>\$ 8,438</u>

There is no movements of the loss allowance of trade receivables in 2021.

b. Other receivables

The Group analyzed other receivables that were not past due based on the past due status, and the Group did not recognize an allowance for loss on other receivables as of December 31, 2022 and 2021.

12. INVENTORIES

	December 31	
	2022	2021
Merchandise	\$ 4,980	\$ 11,033
Finished goods	1,999,755	2,045,964
Work-in-process and semi-finished goods	955,454	934,852
Raw materials and supplies	<u>432,267</u>	<u>324,913</u>
	<u>\$ 3,392,456</u>	<u>\$ 3,316,762</u>

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	\$ 19,291,698	\$ 27,878,618
Others	<u>(338,066)</u>	<u>(352,766)</u>
	<u>\$ 18,953,632</u>	<u>\$ 27,525,852</u>

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Main Business	% of Ownership December 31		Remark
			2022	2021	
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	
	Ke Yue Co., Ltd.	Investing activities	100	100	
	Yi Sheng Co., Ltd.	Investing activities	100	100	
	Yi De Co., Ltd.	Investing activities	100	100	
	Catcher Medtech Co., Ltd.	Manufacturing, and selling medical devices	100	100	Note 1
	Catcher Holdings International Inc.	Investing activities	-	-	Note 5
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Investing activities	100	100	
	Stella International Co., Ltd.	Investing activities	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	
	Norma International Co., Ltd.	Investing activities	100	100	
	Next Level Ltd.	Investing activities	100	100	
	Cor Ventures Pte. Ltd.	Investing activities	100	100	
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Investing activities	100	100	
Cygnus International Co., Ltd.	Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	-	Note 2
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	-	Note 2

Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100
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(Continued)

Investor	Investee	Main Business	% of Ownership December 31		Remark
			2022	2021	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Investing activities	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	-	100	Note 3
Norma International Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Gigamag Co., Ltd.	Neat Co., Ltd.	International trade	-	100	Note 4
Catcher Holdings International Inc.	Catcher Ventures Inc.	Investing activities	-	-	Note 5

(Concluded)

Note 1: Catcher Technology Co., Ltd. incorporated its 100% owned subsidiary, Catcher Medtech Co., Ltd., in September 2021.

Note 2: The board of directors of the Company resolved to dispose of all shares of the subsidiaries, on the November 10, 2021 and the settlement was completed in December 2021. Refer to Note 29 for related disclosures on the disposal of subsidiaries.

Note 3: Aquila Technology (Suqian) Co., Ltd. was liquidated and canceled in February 2022.

Note 4: Neat Co., Ltd. was liquidated and canceled in May 2022.

Note 5: The Company established Catcher Holdings International Inc. and Catcher Ventures Inc. in June 2022. As of December 31, 2022, the investment funds have not been remitted.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in associates		
Associates that are not individually material		
Pacific Hospital Supply Co. Ltd	\$ 998,597	\$ -
Bioteque Corporation	1,179,813	-
Smart Ecare Inc.	<u>2,769</u>	<u>8,050</u>
	<u>\$ 2,181,179</u>	<u>\$ 8,050</u>

Aggregate information of associates that are not individually material was as follows:

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Net profit and total comprehensive income (loss) for the year	<u>\$ 74,379</u>	<u>\$ (3,533)</u>

The Group's investments in Pacific Hospital Supply Co., Ltd. and Bioteque Corporation, which had previously been recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using the equity method in June 2022. During the measurement period, the Group will engage outside specialists to provide assistance in measuring the identifiable net assets of the above investees and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained about facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date.

15. PROPERTY, PLANT AND EQUIPMENT

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

See Table 10 for the statements of changes in property, plant and equipment for the years ended December 31, 2022 and 2021.

No impairment assessment was performed for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

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 improvements	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

	December 31	
	2022	2021
<u>Carrying amount</u>		
Land	\$ 996,995	\$ 1,000,840
Buildings	<u>2,337</u>	<u>15,728</u>
	<u>\$ 999,332</u>	<u>\$ 1,016,568</u>

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	\$ <u>24,413</u>	\$ <u>10,518</u>
Depreciation charge for right-of-use assets		
Land	\$ 26,238	\$ 30,519
Buildings	<u>9,672</u>	<u>11,208</u>
	\$ <u>35,910</u>	\$ <u>41,727</u>
Income from the subleasing of right-of-use assets (recognized as operating revenue)	\$ <u>965</u>	\$ <u>2,238</u>

Except for the additions and recognition of depreciation, the Group's right-of-use assets are not subleased and no impairment assessment was performed during the year 2021 and 2022.

b. Lease liabilities

	December 31	
	2022	2021
<u>Carrying amount</u>		
Current	\$ <u>5,923</u>	\$ <u>13,168</u>
Non-current	\$ <u>126,297</u>	\$ <u>126,873</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	0.71%-0.95%	0.71%
Buildings	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 lessor's consent.

d. Subleases

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:

	December 31	
	2022	2021
Year 1	\$ <u>-</u>	\$ <u>2,269</u>

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ <u>5,472</u>	\$ <u>4,366</u>
Expenses relating to low-value asset leases	\$ <u>591</u>	\$ <u>820</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>9,206</u>	\$ <u>22,618</u>
Total cash outflow for leases	\$ <u>30,471</u>	\$ <u>46,110</u>

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

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 203,363	\$ 900,329	\$ 1,103,692
Additions	-	410	410
Disposals of subsidiaries	-	(745,161)	(745,161)
Effect of foreign currency exchange difference	-	(291)	(291)
Balance at December 31, 2021	\$ <u>203,363</u>	\$ <u>155,287</u>	\$ <u>358,650</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 603,393	\$ 603,393
Depreciation	-	40,671	40,671
Disposals of subsidiaries	-	(506,975)	(506,975)
Effect of foreign currency exchange difference	-	(4)	(4)
Balance at December 31, 2021	\$ <u>-</u>	\$ <u>137,085</u>	\$ <u>137,085</u>
Carrying amount at December 31, 2021	\$ <u>203,363</u>	\$ <u>18,202</u>	\$ <u>221,565</u>

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 203,363	\$ 155,287	\$ 358,650
Additions	-	245	245
Transfer from Property, Plant, and Equipment	712,166	25,929	738,095
	<hr/>	<hr/>	<hr/>
Balance at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 181,461</u>	<u>\$ 1,096,990</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,085	\$ 137,085
Depreciation	-	5,938	5,938
Transfer from Property, Plant, and Equipment	-	691	691
	<hr/>	<hr/>	<hr/>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 143,714</u>	<u>\$ 143,714</u>
Carrying amount at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 37,747</u>	<u>\$ 953,276</u>
			(Concluded)

The investment properties are depreciated by the straight-line method over their estimated useful lives as follows:

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

Due to the impact of the COVID-19 pandemic on the market economy in 2021, the Group agreed 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 determination of fair value was performed by independent qualified professional valuers. The fair value was measured using Level 3 inputs or was arrived at by reference to market evidence of transaction prices for similar properties. The fair value was as follows:

	December 31	
	2022	2021
Fair value	<u>\$ 1,625,279</u>	<u>\$ 768,833</u>

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

The investment properties are leased out from February 2017 to August 2027. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2022	2021
Year 1	\$ 28,994	\$ 10,037
Year 2	29,174	7,560
Year 3	27,266	7,560
Year 4	21,480	7,560
Year 5	5,862	7,560
Year 6 onwards	-	1,565
	<u>\$ 112,776</u>	<u>\$ 41,842</u>

18. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 335,930	\$ -	\$ 335,930
Additions	32,649	29,700	62,349
Disposal	(7,128)	-	(7,128)
Disposal of subsidiaries	(175)	-	(175)
Effect of foreign currency exchange differences	<u>(870)</u>	<u>-</u>	<u>(870)</u>
Balance at December 31, 2021	<u>\$ 360,406</u>	<u>\$ 29,700</u>	<u>\$ 390,106</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 297,926	\$ -	\$ 297,926
Amortization expense	34,141	6,500	40,641
Disposal	(5,487)	-	(5,487)
Disposal of subsidiaries	(165)	-	(165)
Effect of foreign currency exchange differences	<u>(516)</u>	<u>-</u>	<u>(516)</u>
Balance at December 31, 2021	<u>\$ 325,899</u>	<u>\$ 6,500</u>	<u>\$ 332,399</u>
Carrying amount at December 31, 2021	<u>\$ 34,507</u>	<u>\$ 23,200</u>	<u>\$ 57,707</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 360,406	\$ 29,700	\$ 390,106
Additions	1,353	-	1,353
Effect of foreign currency exchange differences	<u>2,286</u>	<u>-</u>	<u>2,286</u>
Balance at December 31, 2022	<u>\$ 364,045</u>	<u>\$ 29,700</u>	<u>\$ 393,745</u>

(Continued)

	Computer Software	Technical Skill	Total
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 325,899	\$ 6,500	\$ 332,399
Amortization expense	26,376	10,545	36,921
Effect of foreign currency exchange differences	<u>1,718</u>	<u>-</u>	<u>1,718</u>
Balance at December 31, 2022	<u>\$ 353,993</u>	<u>\$ 17,045</u>	<u>\$ 371,038</u>
Carrying amount at December 31, 2022	<u>\$ 10,052</u>	<u>\$ 12,655</u>	<u>\$ 22,707</u> (Concluded)

The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 years
Emission license	5 years

19. OTHER ASSETS

	December 31	
	2022	2021
<u>Current</u>		
Net Input VAT	\$ 68,507	\$ 89,292
Office supplies	139,116	174,945
Prepaid expenses	88,496	140,863
Others	<u>13,266</u>	<u>1,009</u>
	<u>\$ 309,385</u>	<u>\$ 406,109</u>
<u>Non-current</u>		
Prepaid equipment	\$ 99,896	\$ 60,922
Others	<u>2,685</u>	<u>12,071</u>
	<u>\$ 102,581</u>	<u>\$ 72,993</u>

20. SHORT-TERM BORROWINGS

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Bank unsecured loans	\$ 43,696,000	\$ 78,031,726
<u>Secured borrowings (Note 33)</u>		
Bank secured loans	<u>13,000,000</u>	<u>-</u>
	<u>\$ 56,696,000</u>	<u>\$ 78,031,726</u>

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

	December 31	
	2022	2021
Bank unsecured loans	1.30%-1.98%	0.60%-0.88%
Bank secured loans	1.30%-1.56%	-

21. TRADE PAYABLES

Trade payables resulted from operating activities.

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

22. OTHER LIABILITIES

	December 31	
	2022	2021
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 2,067,335	\$ 2,705,255
Payables for salaries and bonuses	957,089	1,287,033
Payables for technical service fees	1,514,632	708,463
Payables for professional service fees	15,705	34,999
Payables for office supplies	131,403	224,733
Payables for purchases of equipment	59,628	111,709
Payables for annual leave	126,278	132,498
Payables for taxes	63,620	70,675
Payables for shipping expenses and warehousing	36,335	39,845
Payables for utilities	61,780	71,357
Payables for maintenance	31,899	50,573
Payables for meals	32,252	47,714
Payables for interest	23,099	13,836
Others	565,540	484,458
	<u>\$ 5,686,595</u>	<u>\$ 5,983,148</u>
Other liabilities		
Advance receipts	\$ 808,763	\$ 748,548
Deferred revenue	-	584,546
Payables for value-added tax	6,247	32,406
Guarantee deposits received	21,920	15,952
Others	19,754	15,471
	<u>\$ 856,684</u>	<u>\$ 1,396,923</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 10,036	\$ 8,776

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of mainland China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the ROC government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ 84,953	\$ 80,463
Fair value of plan assets	<u>(78,384)</u>	<u>(73,885)</u>
Net defined benefit liabilities	<u>\$ 6,569</u>	<u>\$ 6,578</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	<u>\$ 80,599</u>	<u>\$ (74,041)</u>	<u>\$ 6,558</u>
Service cost			
Current service cost	2,116	-	2,116
Net interest expense (income)	<u>282</u>	<u>(262)</u>	<u>20</u>
Recognized in profit or loss	<u>2,398</u>	<u>(262)</u>	<u>2,136</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,092)	(1,092)
Actuarial loss - changes in demographic assumptions	4,312	-	4,312
Actuarial gain - changes in financial assumptions	(3,425)	-	(3,425)
Actuarial loss - experience adjustments	<u>205</u>	<u>-</u>	<u>205</u>
Recognized in other comprehensive income	<u>1,092</u>	<u>(1,092)</u>	<u>-</u>
Contributions from the employer	-	(2,116)	(2,116)
Benefits paid	<u>(3,626)</u>	<u>3,626</u>	<u>-</u>
Balance at December 31, 2021	<u>80,463</u>	<u>(73,885)</u>	<u>6,578</u>
Service cost			
Current service cost	2,162	-	2,162
Net interest expense (income)	<u>603</u>	<u>(562)</u>	<u>41</u>
Recognized in profit or loss	<u>2,765</u>	<u>(562)</u>	<u>2,203</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (5,570)	\$ (5,570)
Actuarial gain - changes in financial assumptions	(4,508)	-	(4,508)
Actuarial loss - experience adjustments	<u>10,078</u>	<u>-</u>	<u>10,078</u>
Recognized in other comprehensive income	<u>5,570</u>	<u>(5,570)</u>	<u>-</u>
Contributions from the employer	-	(2,212)	(2,212)
Benefits paid	<u>(3,845)</u>	<u>3,845</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 84,953</u>	<u>\$ (78,384)</u>	<u>\$ 6,569</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	\$ 1,371	\$ 1,365
Selling and marketing expenses	105	81
General and administrative expenses	487	384
Research and development expenses	<u>240</u>	<u>306</u>
	<u>\$ 2,203</u>	<u>\$ 2,136</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate	1.40%	0.75%
Expected rate of salary increase	2%	2%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will (decrease) increase as follows:

	December 31	
	2022	2021
Discount rate		
0.25% increase	\$ (1,769)	\$ (2,182)
0.25% decrease	\$ 1,825	\$ 2,253
Expected rate of salary increase		
0.25% increase	\$ 1,748	\$ 2,145
0.25% decrease	\$ (1,703)	\$ (2,088)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plan within one year	\$ 2,212	\$ 2,116
Average duration of the defined benefit obligation	9 years	10 years

24. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	\$ 10,000,000	\$ 10,000,000
Number of shares issued and fully paid (in thousands)	714,467	761,618
Shares issued	\$ 7,144,671	\$ 7,616,181

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

On February 24, 2022, the Company's 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 NT\$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 NT\$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 share options.

2) Global depositary receipts

In June 2011, the Company increased its capital by listing its shares in the form of Global Depositary Receipts (GDRs). Each GDR was represented 5 ordinary shares. The Company issued 6,700 thousand units of GDRs, representing 33,500 thousand ordinary shares.

As of December 31, 2022 and 2021, there were 21 thousand units and 417 thousand units of outstanding GDRs, equivalent to 107 thousand ordinary shares and 2,084 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2022	2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Arising from issuance of ordinary shares	\$ 6,918,728	\$ 7,375,327
Arising from conversion of bonds	11,847,671	12,629,553
<u>May only be used to offset a deficit</u>		
Overdue claimed dividends of shareholders	5,135	3,944
	<u>\$ 18,771,534</u>	<u>\$ 20,008,824</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, the proposal for profit distribution or offsetting of losses can be made at the end of each six months of the fiscal year, when the Company makes a profit in the first half of the fiscal year, the profit should be appropriated as follows:

- 1) Pay taxes;
- 2) Offset against deficit, if any;
- 3) Estimate compensation of employees and remuneration of directors;
- 4) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;

- 5) Reverse a special reserve in accordance with the laws or operating needs; and
- 6) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders in issuance of ordinary share and resolved in the Company's board of directors for the distribution of dividends and bonus in cash.

When the Company makes a profit in a fiscal year, the profit should be appropriated as follows:

- 1) Pay taxes;
- 2) Offset against deficit, if any;
- 3) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;
- 4) Reverse a special reserve in accordance with the laws or operating needs; and
- 5) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders in issuance of ordinary share.

The Company is still in the growing stage and is continuing to expand its operating scale with due consideration of the viability of the economic situation. The board of directors shall be focusing on growing dividends in a stable manner when proposing the appropriation of annual earnings. However, cash dividends shall not be less than 10% of the total dividends, and cash dividends shall be distributed although the dividends per share is less than NT\$0.5.

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

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

The appropriations of earnings for 2021 and 2020 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 857,386	\$ 1,965,163
Special reserve	\$ 2,567,156	\$ 2,205,804
Cash dividends	\$ 7,297,531	\$ 9,139,417
Cash dividends per share (NT\$)	\$ 10	\$ 12

The Company's board of directors resolved to distribute cash dividends on April 6, 2022 and April 20, 2021, respectively; the retained earnings were resolved by the shareholders in their meetings on May 27, 2022 and August 27, 2021, respectively.

d. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (16,859,133)	\$ (14,326,474)
Exchange differences on translating the financial statements of foreign operations	<u>14,857,375</u>	<u>(2,532,659)</u>
Balance at December 31	<u>\$ (2,001,758)</u>	<u>\$ (16,859,133)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (102,333)	\$ (67,836)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(31,564)	5,617
Unrealized gain (loss) - debt instruments	(255,871)	(41,625)
Reclassification adjustments		
Disposal of investments in debt instruments	175,820	324
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(28,778)</u>	<u>1,187</u>
Balance at December 31	<u>\$ (242,726)</u>	<u>\$ (102,333)</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance as of January 1	\$ 49,589	\$ 96,537
Share of profit for the year	(5,941)	21,239
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	4,552	(1,453)
Distribution of earnings of subsidiaries	<u>(37,157)</u>	<u>(66,734)</u>
Balance as of December 31	<u>\$ 11,043</u>	<u>\$ 49,589</u>

f. Treasury shares

Purpose of Buy-back	Shares Cancelled (In Thousands of Shares)
Number of shares at January 1, 2021	-
Increase during the year	<u>21,567</u>
Number of shares at December 31, 2021	<u>21,567</u>
Number of shares at January 1, 2022	21,567
Increase during the year	25,584
Decrease during the year	<u>47,151</u>
Number of shares at December 31, 2022	<u>-</u>

To maintain the Company's credit and shareholders' equity, on April 6, 2022, the Company's board of directors resolved to buy back 25,000 thousand shares from April 7, 2022 to June 6, 2022 at a price ranging from NT\$102.2 per share to NT\$220.5 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 15,286 thousand shares were repurchased at a total cost of NT\$2,307,209 thousand.

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\$106.8 per share to NT\$238.5 per share. 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 September 16, 2021, the Company's board of directors resolved to buy back 25,000 thousand shares from September 16, 2021 to November 15, 2021 at a price ranging from NT\$109.2 per share to NT\$256.8 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 15,533 thousand shares at a total cost of NT\$2,533,309 thousand.

On February 24, 2022, the Company's 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.

On August 8, 2022, the Company's 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.

According to the Securities and Exchange Act, treasury shares should not exceed 10% of the Company's issued and outstanding shares and the total amount of treasury shares should not exceed the total retained earnings and realized additional paid-in capital.

Under 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

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 27,801,362	\$ 41,031,606
Rental income	<u>19,167</u>	<u>63,373</u>
	<u>\$ 27,820,529</u>	<u>\$ 41,094,979</u>

a. Contract information

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

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables			
Gross carrying amount	\$ 9,573,233	\$ 9,722,596	\$ 17,374,684
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(57,183)</u>	<u>(57,183)</u>
	<u>\$ 9,564,795</u>	<u>\$ 9,665,413</u>	<u>\$ 17,317,501</u>
Contract liabilities - current			
Sale of goods	<u>\$ 42,803</u>	<u>\$ 32,742</u>	<u>\$ 12,545</u>

26. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	\$ 4,177,540	\$ 750,681
Investments in debt instruments at FVTOCI	132,125	65,898
Repurchase agreements	<u>3,573</u>	<u>6,218</u>
	<u>\$ 4,313,238</u>	<u>\$ 822,797</u>

b. Other income

	For the Year Ended December 31	
	2022	2021
Government grants	\$ 928,384	\$ 1,887,261
Recycling income	50,251	211,924
Dividend income	102,502	79,490
Tax refund income	12	-
Others	<u>7,224</u>	<u>28,668</u>

\$	<u>1,088,373</u>	\$	<u>2,207,343</u>
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c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gains on disposal of subsidiaries (Note 29)	\$ -	\$ 2,782,368
Liquidation of subsidiary losses	(9,883)	-
Fair value changes of financial assets mandatorily classified as at FVTPL	(1,207,127)	385,336
Gain (loss) on disposal of investment in debt instruments at FVTOCI	(175,820)	(324)
Others	<u>71,275</u>	<u>27,586</u>
	<u>\$ (1,321,555)</u>	<u>\$ 3,194,966</u>

d. Interest expense

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 703,083	\$ 481,913
Interest on lease liabilities	<u>980</u>	<u>1,097</u>
	<u>\$ 704,063</u>	<u>\$ 483,010</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 3,001,868	\$ 4,263,892
Operating expenses	<u>404,175</u>	<u>597,776</u>
	<u>\$ 3,406,043</u>	<u>\$ 4,861,668</u>
An analysis of amortization by function		
Operating costs	\$ 12,859	\$ 26,688
Operating expenses	<u>31,529</u>	<u>30,283</u>
	<u>\$ 44,388</u>	<u>\$ 56,971</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses from investment properties generating rental income	<u>\$ 9,001</u>	<u>\$ 42,709</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 8,355,743	\$ 10,175,285
Post-employment benefits		
Defined contribution plans	523,514	581,483
Defined benefit plans (Note 23)	<u>2,203</u>	<u>2,136</u>
	<u>525,717</u>	<u>583,619</u>
	<u>\$ 8,881,460</u>	<u>\$ 10,758,904</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 6,570,535	\$ 8,348,554
Operating expenses	<u>2,310,925</u>	<u>2,410,350</u>
	<u>\$ 8,881,460</u>	<u>\$ 10,758,904</u>

h. Compensation of employees and remuneration of directors

The Company accrued 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, compensation of employees, and remuneration of directors. 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:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	1.24%	5.33%
Remuneration of directors	0.14%	0.17%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 155,823	\$ -	\$ 521,976	\$ -
Remuneration of directors	18,200	-	16,400	-

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	\$ 17,181,297	\$ 3,479,782
Foreign exchange losses	<u>(8,980,749)</u>	<u>(5,907,814)</u>
	<u>\$ 8,200,548</u>	<u>\$ (2,428,032)</u>

27. INCOME TAXES

- a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 2,742,361	\$ 2,934,532
Income tax on unappropriated earnings	-	340,681
Adjustment for prior years	(99,424)	(23,174)
Tax on repatriated offshore funds	<u>2,152,333</u>	<u>-</u>
	<u>4,795,270</u>	<u>3,252,039</u>
Deferred tax		
In respect of the current year	840,147	103,194
Adjustment for prior year	<u>11,392</u>	<u>119,136</u>
	<u>851,539</u>	<u>222,330</u>
	<u>\$ 5,646,809</u>	<u>\$ 3,474,369</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before income tax	<u>\$ 16,543,047</u>	<u>\$ 12,070,652</u>
Income tax expense calculated at the statutory rate	\$ 3,191,856	\$ 2,349,977
Unrecognized temporary differences	(54)	(9,712)
Research and development tax credits from China	(211,049)	(212,021)
Non-deductible expenses in determining taxable income	109,302	15,033
Deferred tax effect of earnings of subsidiaries	170,221	(40,354)
Withholding tax on remittance of earnings	2,589,533	1,375,672
Tax-exempt income	-	(91,216)
Additional income tax on unappropriated earnings	-	340,681
Unrecognized loss carryforwards	(169,558)	(848,134)
Adjustments for prior years' deferred tax	11,392	119,136

(Continued)

	For the Year Ended December 31	
	2022	2021
Adjustments for prior years' tax	\$ (99,424)	\$ (23,174)
Capital gains tax on disposal of subsidiaries	<u>54,590</u>	<u>498,481</u>
	<u>\$ 5,646,809</u>	<u>\$ 3,474,369</u>
		(Concluded)

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. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	<u>\$ 52,278</u>	<u>\$ 425,494</u>
Current tax liabilities		
Income tax payable	<u>\$ 3,183,772</u>	<u>\$ 309,608</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Provisions for losses on inventories	\$ 148,602	\$ (10,662)	\$ 54	\$ 137,994
Depreciation differences	2,700,286	(254,018)	43,908	2,490,176
Unrealized intercompany profit	268,967	(85,809)	7,152	190,310
Unrealized sales returns	24	-	-	24
Defined benefit obligation	1,315	(1)	-	1,314
Payables for annual leave	37,538	(1,562)	331	36,307
Financial assets at FVTPL	11	(11)	-	-
Other payables	15,557	10,502	-	26,059
Unrealized foreign exchange losses	182,382	(18,389)	-	163,993
Others	<u>32,631</u>	<u>(9,246)</u>	<u>526</u>	<u>23,911</u>
	3,387,313	(369,196)	51,971	3,070,088
Tax losses	<u>671,606</u>	<u>(301,371)</u>	<u>(197)</u>	<u>370,038</u>
	<u>\$ 4,058,919</u>	<u>\$ (670,567)</u>	<u>\$ 51,774</u>	<u>\$ 3,440,126</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Depreciation differences	\$ -	\$ 10,751	\$ -	\$ 10,751
Reserves for land value increment tax	12,597	-	-	12,597
Unappropriated earnings of subsidiaries	6,088,162	170,221	143,209	6,401,592
	<u>\$ 6,100,759</u>	<u>\$ 180,972</u>	<u>\$ 143,209</u>	<u>\$ 6,424,940</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Provisions for losses on inventories	\$ 233,696	\$ (84,991)	\$ (103)	\$ 148,602
Depreciation differences	2,777,291	(61,808)	(15,197)	2,700,286
Unrealized intercompany profit	602,449	(334,420)	938	268,967
Unrealized sales returns	31	(7)	-	24
Defined benefit obligation	1,311	4	-	1,315
Payables for annual leave	35,925	1,747	(134)	37,538
Impairment loss on property, plant and equipment	31	(31)	-	-
Financial assets at FVTPL	-	11	-	11
Other payables	6,639	8,918	-	15,557
Unrealized foreign exchange losses	348,010	(165,628)	-	182,382
Others	41,649	(8,935)	(83)	32,631
	4,047,032	(645,140)	(14,579)	3,387,313
Tax losses	299,615	371,991	-	671,606
	<u>\$ 4,346,647</u>	<u>\$ (273,149)</u>	<u>\$ (14,579)</u>	<u>\$ 4,058,919</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Depreciation differences	\$ 10,465	\$ (10,465)	\$ -	\$ -
Reserves for land value increment tax	12,597	-	-	12,597
Unappropriated earnings of subsidiaries	6,174,686	(40,354)	(46,170)	6,088,162
	<u>\$ 6,197,748</u>	<u>\$ (50,819)</u>	<u>\$ (46,170)</u>	<u>\$ 6,100,759</u>

d. Information about unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
\$ 1,121	2030
<u>6,592</u>	2031
<u>\$ 7,713</u>	

e. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

The taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized amounted to NT\$13,697,746 thousand and NT\$12,388,484 thousand as of December 31, 2022 and 2021, respectively.

f. Income tax assessments

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

28. EARNINGS PER SHARE

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

Net profit for the year

	For the Year Ended December 31	
	2022	2021
Profit for the year attributable to owners of the Company	\$ <u>10,902,179</u>	\$ <u>8,575,044</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares in computation of basic earnings per share	720,239	758,241
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>1,443</u>	<u>4,470</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>721,682</u>	<u>762,711</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. DISPOSAL OF SUBSIDIARIES

On November 10, 2021, the Group entered into a share purchase agreement to dispose of Suzhou subsidiaries (Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd.) The Group completed the disposal on December 3, 2021 and lost control of these subsidiaries.

a. Consideration received from disposals

	Suzhou Subsidiaries
Consideration received in cash and cash equivalents	\$ <u>5,547,314</u>

b. Analysis of assets and liabilities on the date control was lost

	Suzhou Subsidiaries
Current assets	
Cash and cash equivalents	\$ 532,552
Financial assets at amortized cost	707
Other receivables	26,443
Other current assets	1
Non-current assets	
Property, plant and equipment	872,415
Right-of-use assets	177,096
Investment property	238,186
Intangible assets	10
Current liabilities	
Contract liabilities	(9,873)
Other payables	(11,702)
Other current liabilities	(297)
Non-current liabilities	
Other non-current liabilities	<u>(12,996)</u>
Net assets disposed of	<u>\$ 1,812,542</u>

c. Gain on disposal of subsidiaries

	Suzhou Subsidiaries
Consideration received	\$ 5,547,314
Net assets disposed of	(1,812,542)
Reclassification of other comprehensive income in respect of subsidiaries	(920,542)
Related fees and taxes	<u>(31,862)</u>
Gain on disposal (recognized as other gains and losses)	2,782,368
Less: Capital gains tax (recognized as income tax expense)	<u>498,481</u>
Net gain on disposals	<u>\$ 2,283,887</u>

d. Net cash inflow on disposals of subsidiaries

	Suzhou Subsidiaries
Consideration received in cash and cash equivalents	\$ 5,547,314
Less: Cash and cash equivalent balances disposed of	<u>(532,552)</u>
	<u>\$ 5,014,762</u>

30. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development

activities, dividend payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The carrying amounts of financial instruments that are not measured at fair value approximate their fair value recognized in the consolidated financial statements; these financial instruments include cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, refundable deposits, short-term loans, accounts payable, other payables, and guarantee deposits received.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 189,736	\$ -	\$ -	\$ 189,736
Private equity fund	-	-	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>
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Listed shares and emerging market shares	\$ 143,609	\$ -	\$ -	\$ 143,609
Unlisted shares	-	-	57,330	57,330
Limited partnerships	-	-	1,285,544	1,285,544
Investments in debt instruments at FVTOCI				
Bond	-	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>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 1,744,446	\$ -	\$ -	\$ 1,744,446
Beneficiaries certificates	2,223,491	-	-	2,223,491
Simple Agreement for Future Equity (SAFE)	-	-	74,736	74,736
Private equity fund	-	-	661,216	661,216
Private equity securities	-	-	90,286	90,286
Limited partnerships	-	-	132,557	132,557
	<u>\$ 3,967,937</u>	<u>\$ -</u>	<u>\$ 958,795</u>	<u>\$ 4,926,732</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Listed shares and emerging market shares	\$ 1,870,987	\$ -	\$ -	\$ 1,870,987
Unlisted shares	-	-	36,240	36,240
Limited partnerships	-	-	822,906	822,906
Investments in debt instruments at FVTOCI				
Bond	-	4,571,199	-	4,571,199
	<u>\$ 1,870,987</u>	<u>\$ 4,571,199</u>	<u>\$ 859,146</u>	<u>\$ 7,301,332</u> (Concluded)

There was no transfer between Levels 1 and 2 in the current and prior years.

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

Financial assets at FVTOCI

2022

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	\$ 958,795	\$ 859,146	\$ 1,817,941
Purchases	469,048	424,062	893,110
Recognized in profit or loss (included in other gains and losses)	(237,642)	-	(237,642)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(25,094)	(25,094)
Effects of foreign currency exchange differences	108,043	84,760	192,803
Balance at December 31, 2022	<u>\$ 1,298,244</u>	<u>\$ 1,342,874</u>	<u>\$ 2,641,118</u>

2021

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
Financial Assets	Equity Instruments	Equity Instruments	Total
Balance at January 1, 2021	\$ -	\$ 652,880	\$ 652,880
Purchases	841,624	290,995	1,132,619
Recognized in profit or loss (included in other gains and losses)	96,623	-	96,623
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(65,401)	(65,401)
Effects of foreign currency exchange differences	20,548	(19,328)	1,220
Balance at December 31, 2021	<u>\$ 958,795</u>	<u>\$ 859,146</u>	<u>\$ 1,817,941</u>

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

Domestic government bonds are determined by quoted market prices provided by the independent third party.

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

The fair value of unlisted equity securities in the ROC, limited partnerships, private equity securities and SAFE were estimated using the market approach and based on the recent net equity. In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments.

The fair value of private equity fund was estimated using the assets approach.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 1,487,980	\$ 4,926,732
Financial asset at amortized cost (i)	210,629,685	207,222,225
Financial assets at FVTOCI		
Equity instruments	1,486,483	2,730,133
Debt instrument	2,166,827	4,571,199

Financial liabilities

Financial liabilities measured at amortized cost (ii)	65,135,010	87,505,382
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1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.

2) The balance includes financial liabilities measured at amortized cost, which comprise short-term

loans, trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by the board of directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group was mainly exposed to the United States 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 included only outstanding foreign-currency denominated monetary items. A positive number below indicates an increase in profit before income tax that would result when the NTD weakens by 1% against the relevant currency. For a 1% strengthening of the NTD against the relevant currency, there would be an equal and opposite impact on profit before income tax and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 840,817	\$ 819,677
	RMB Impact	
	For the Year Ended December 31	
	2022	2021

Profit or loss	\$	508	\$	65,709
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The result was mainly attributable to the exposure on outstanding USD-denominated and RMB-denominated cash and cash equivalents, financial assets at amortized cost, and receivables and payables which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD increased during the current period mainly due to the increase in net assets denominated in USD and the sensitivity to the RMB decreased mainly due to the decrease in net assets denominated in RMB. In management's opinion, the sensitivity analysis was unrepresentative of inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

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

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 191,588,559	\$ 185,696,367
Financial liabilities	132,220	140,041
Cash flow interest rate risk		
Financial assets	10,794,953	11,352,246
Financial liabilities	56,696,000	78,031,726

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$45,901 thousand and NT\$66,679 thousand, respectively; the change would have been mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings of cash flow.

The Group's sensitivity to interest rates decreased during the current period mainly due to the increase in variable rate financial assets.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the

end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$1,897 thousand and NT\$39,679 thousand respectively, as a result of the changes in fair value of financial assets at FVTPL. If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$1,436 thousand and NT\$18,710 thousand respectively, as a result of the changes in fair value of financial assets at 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 the reporting period, 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 is also performed on the financial condition of customers with whom the Group has accounts receivable.

Information on credit risk concentration as of December 31, 2022 and 2021 was as follows:

	December 31			
	2022		2021	
	Amount	%	Amount	%
Customer A	\$ 4,126,487	43%	\$ 2,913,268	30%
Customer B	2,324,628	24%	2,727,725	28%
Customer C	1,397,179	15%	2,100,204	22%

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's operating funds and bank loan credit line are deemed sufficient to meet cash flow demands; therefore, liquidity risk is not considered to be significant.

a) Liquidity and interest rate risk table 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 drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal 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 dates for other non-derivative financial liabilities are based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

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	\$ 7,084,223	\$ 1,344,751	\$ 10,036	\$ -
Lease liabilities	1,771	7,457	26,542	120,700
Variable interest rate liabilities	-	57,258,584	-	-
	<u>\$ 7,085,994</u>	<u>\$58,610,792</u>	<u>\$ 36,578</u>	<u>\$ 120,700</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,228</u>	<u>\$ 26,542</u>	<u>\$ 22,428</u>	<u>\$ 22,428</u>	<u>\$ 44,445</u>	<u>\$ 31,399</u>

December 31, 2021

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 7,628,317	\$ 1,836,563	\$ 8,776	\$ -
Lease liabilities	2,495	11,611	22,374	116,896
Variable interest rate liabilities	40,388,313	37,837,915	-	-
	<u>\$48,019,125</u>	<u>\$39,686,089</u>	<u>\$ 31,150</u>	<u>\$ 116,896</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 14,106</u>	<u>\$ 22,374</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 42,643</u>	<u>\$ 33,001</u>

The amounts included for variable interest rate instruments for both non-derivative financial assets and liabilities would change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank loan facilities		
Amount used	\$ 43,800,362	\$ 78,384,829
Amount unused	<u>60,590,377</u>	<u>18,968,953</u>
	<u>\$ 104,390,739</u>	<u>\$ 97,353,782</u>
Secured bank loan facilities		
Amount used	\$ 13,000,000	\$ -
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 13,000,000</u>	<u>\$ -</u>

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 213,871	\$ 208,266
Post-employment benefits	<u>43,128</u>	<u>29,296</u>
	<u>\$ 256,999</u>	<u>\$ 237,562</u>

The remuneration of directors and key executives are determined by the remuneration committee with due regard to the performance of individuals, the performance of the Group, and future risk.

33. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	December 31	
	2022	2021
Pledged deposits (classified as financial assets at amortized cost - current)	\$ 14,687,274	\$ -

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

Unrecognized commitments are as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	\$ 832,408	\$ 113,324
Acquisition of inventories	<u>\$ 35,725</u>	<u>\$ 105,067</u>

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies other than the functional currencies of the entities in the Group and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
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>			
Monetary items			
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

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,476,972	27.63 (USD:NTD)	\$ 68,438,741
USD	580,509	6.3757 (USD:RMB)	15,893,872
RMB	61,535	4.319 (RMB:NTD)	265,769
RMB	1,450,686	0.1568 (RMB:USD)	6,334,970
<u>Financial liabilities</u>			
Monetary items			
USD	33,236	27.72 (USD:NTD)	921,327
USD	52,725	6.3757 (USD:RMB)	1,443,575
RMB	6,824	4.3690 (RMB:NTD)	29,813

The Group is mainly exposed to the USD. The following information is an aggregation of the functional currencies of the entities in the Group and disclosures of the exchange rates between the respective functional currencies and the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.804 (USD:NTD)	\$ 20,361	28.009 (USD:NTD)	\$ 37,265
NTD	1 (NTD:NTD)	6,675,336	1 (NTD:NTD)	(2,047,636)
RMB	4.4346 (RMB:NTD)	<u>1,504,851</u>	4.3417 (RMB:NTD)	<u>(417,661)</u>
		<u>\$ 8,200,548</u>		<u>\$ (2,428,032)</u>

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (N/A)
- 10) 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 company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, and repatriations of investment from the mainland China

area (Table 8)

- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 5, 6 and 9):
 - a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) Property transactions - the amount of property 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 and the purposes
 - e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (N/A)

37. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a plant-by-plant basis with a focus on the operating results of each plant. As each plant shares similar economic characteristics, produces similar products using similar production processes and all products are distributed and sold to same-level customers through a central sales function, the Group's operating segments are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021, and the information on assets is referenced from the consolidated balance sheets as of December 31, 2022 and 2021.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2022	2021
China	\$ 19,931,066	\$ 28,835,499
United States	2,491,824	5,970,641
Taiwan	409,306	1,137,484
Singapore	4,382,883	5,149,298
Others	<u>605,450</u>	<u>2,057</u>
	<u>\$ 27,820,529</u>	<u>\$ 41,094,979</u>
	Non-current Assets	
	December 31, 2022	December 31, 2021
Taiwan	\$ 6,543,349	\$ 7,044,846
China	<u>9,872,942</u>	<u>12,192,334</u>
	<u>\$ 16,416,291</u>	<u>\$ 19,237,180</u>

Non-current assets excluded those classified as investments accounted for using the equity method, financial instruments and deferred tax assets.

b. Information about major customers

Single customers who contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2022	2021
Customer A	\$ 8,776,565	\$ 5,931,613
Customer B	7,472,390	14,904,768
Customer C	-	9,999,532
Customer D	<u>4,382,883</u>	<u>-</u>
	<u>\$ 20,631,838</u>	<u>\$ 30,835,913</u>

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Catcher Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	\$ 873,000	\$ -	\$ -	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 828,957,845	\$ 828,957,845
2	Vito Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	611,100	\$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845
4	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	644,300	\$ 614,200	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845
6	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	966,450	\$ 921,300	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations within one year.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries.

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

TABLE 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS / GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	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	\$ 82,895,785	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
3	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	82,895,785	511,338	<u>\$ 16,315</u>	<u>\$ 16,315</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
4	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	82,895,785	25,586	<u>\$ 25,134</u>	<u>\$ 25,134</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y

Note 1: The upper limit for each borrower of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2022.

Note 2: The upper limit of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2022.

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

TABLE 3

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., LTD.	<u>Listed Shares and Emerging Market Shares</u>							
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	\$ 189,736	6.95	\$ 189,736	
	<u>Unlisted Shares</u>							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
Ke Yue Co., Ltd.	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	57,330	3.57	57,330	
	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	9,751	0.23	9,751	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	270,000	28,620	0.56	28,620	
	<u>Limited Partnerships</u>							
	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	192,508	12.78	192,508	Note 3
Yi De Co., Ltd.	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	56,633	7.39	56,633	Note 3
	<u>Listed Shares and Emerging Market Shares</u>							
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	21,000	1,420	0.01	1,420	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	34,273	0.81	34,273	
Yi Sheng Co., Ltd.	Intai Technology Corp.	None	Financial assets at FVTOCI - current	489,000	51,834	1.01	51,834	
	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	4,780	0.11	4,780	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	122,000	12,932	0.25	12,932	
Nanomag International Co., Ltd.	<u>Limited Partnerships</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 41,861	23.51	USD 41,861	Note 3
	<u>Corporate Bonds</u>							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 989		USD 989	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	1,000,000	USD 962		USD 962	
	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 963		USD 963	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 967		USD 967	
	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,447		USD 1,447	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,569		USD 1,569	
	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,473		USD 1,473	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,023		USD 1,023	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 940		USD 940	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,056		USD 1,056	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	1,600,000	USD 1,561		USD 1,561	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,759		USD 1,759	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 952		USD 952	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,030		USD 1,030	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,901		USD 1,901	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,368		USD 1,368	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,752		USD 1,752	
	EQT CORP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 921		USD 921	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,030		USD 1,030	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,025		USD 1,025	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,186		USD 1,186	
	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	800,000	USD 807		USD 807	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,448		USD 1,448	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 988		USD 988	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	1,000,000	USD 966		USD 966	
	HCA INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,492		USD 1,492	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,032		USD 1,032	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,936		USD 1,936	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,424		USD 1,424	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 531		USD 531	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,455		USD 1,455	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,347		USD 1,347	
	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 992		USD 992	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,641		USD 1,641	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 689		USD 689	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	810,000	USD 784		USD 784	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 990		USD 990	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	1,000,000	USD 987		USD 987	
	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 1,476		USD 1,476	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,816		USD 1,816	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	1,370,000	USD 1,336		USD 1,336	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	750,000	USD 737		USD 737	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 979		USD 979	
	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 347		USD 347	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 974		USD 974	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	1,000,000	USD 934		USD 934	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 960		USD 960	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 982		USD 982	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,477		USD 1,477	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	500,000	-		-	
	<u>Bond</u>							
	US TREASURY	None	Financial assets at FVTOCI - non-current	10,000,000	USD 10,201		USD 10,201	
	<u>Simple Agreement for Future Equity (SAFE)</u>							
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	-	-		-	
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 8,596	2.54	USD 8,596	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 17,593	25.32	USD 17,593	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 2,297	3.80	USD 2,297	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,223	5.00	USD 1,223	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 3,727	0.30	USD 3,727	Note 3
	<u>Private Equity Securities</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	2,000,000	USD 726	29.49	USD 726	Note 3
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	14,246	-	4.34	-	

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 fund share ratio.

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Ke Yue Co., Ltd.	Beneficiaries Certificates													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	35,598,056.18	\$ 600,621	-	\$ -	35,598,056.18	\$ 601,066	\$ 600,040	\$ 1,026	-	\$ -

TABLE 5

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	\$ (225,615)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 89,754	3	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,436,314)	67	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,865,019	82	
		Same ultimate parent company	Purchase	185,321	45	Net 30 to 90 days after month end close	Equivalent	Equivalent	(126,601)	19	
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(257,205)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	144,857	4	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,399,031)	59	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,540,649	73	
		Same ultimate parent company	Purchase	167,319	29	Net 30 to 90 days after month end close	Equivalent	Equivalent	(110,159)	16	
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(1,328,742)	100	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	380,587	94	
The Company	Next Level Ltd.	Subsidiaries	Purchase	1,333,899	42	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	(1,128)	-	

TABLE 6**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 603,571	- (Note)	\$ -	Not applicable	\$ 211,225	\$ -
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,865,019	1.62	-	Not applicable	761,405	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	144,857	1.67	-	Not applicable	47,372	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,540,649	1.35	-	Not applicable	672,409	-
Envio Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	126,601	1.68	-	Not applicable	15,645	-
	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	110,159	1.16	-	Not applicable	31,789	-
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	380,587	1.88	-	Not applicable	181,331	-
The Company	Nanomag International Co., Ltd.	Subsidiaries	3,479,910	- (Note)	-	Not applicable	-	-

Note : The ending balance of income receivables includes processing income and surplus repatriation is not applicable to the calculation of the turnover rate.

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2022

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
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	\$ 1,934,100	\$ 929,850	\$ 929,850	
	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	152,134,044	4,389,067	4,527,082	
	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	2,769	(11,736)	(5,281)	
	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	2,910,748	(55,099)	(55,099)	
	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	1,063,672	49,575	49,575	
	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	1,082,883	51,487	51,487	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	Manufacturing, selling and developing medical equipments	200,000	200,000	2,000,000	100	195,444	(4,586)	(4,565)	
	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United State	Investing activities	(USD 0)	(USD 0)	-	-	-	-	-	
Ke Yue Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	519,621	512,063	7,050,000	9.71	490,566	331,398		
			Biotechnology	599,636	414,923	5,410,000	7.81	623,806	495,715		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	240,757	85,961	3,254,000	4.48	226,426	331,398		
			Biotechnology	279,091	224,984	2,589,000	3.74	298,528	495,715		
Yi De Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	295,411	252,336	4,047,000	5.57	281,605	331,398		
			Biotechnology	243,370	213,396	2,233,000	3.22	257,479	495,715		
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	-	279 (USD 10,000)	-	100	-	(96)		
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	155,296	13,998		
	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	16,515,586	(1,210,464)		
	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	33,128	(23,763)		
	Uranus International Co., Ltd.	Room 1907, 19F, 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	18,969,796	757,156		
	Norma International Co., Ltd.	Room 1907, 19F, 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	13,681,596	4,897,844		
	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	390,244	35,390		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	1,539,919 (SGD 55,165,797)	55,165,797	100	1,530,575	(257,429)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	278,747 (USD 10,005,259)	278,747 (USD 10,005,259)	-	100	-	10,628		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	1 (USD 30)	9,251,008 (USD 332,053,412)	30	100	20,537	19,303		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,004 (USD 1,400,000)	39,004 (USD 1,400,000)	-	100	-	(26,650)		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United State	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-		

Note 1: Share of profit (loss) is only reflected for the subsidiaries invested in directly and the investments accounted for by using the equity method.

Note 2: Information on investments in mainland China is provided in Table 8.

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
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 1,023,871 (USD 33,340,000)	\$ -	\$ -	\$ 1,023,871 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,238,841 (USD 40,340,000)	-	-	1,238,841 (USD 40,340,000)	-	-	-	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	16,612,381
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	4,299,822
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	-	-	-	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,142,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,917,419 (USD 94,999,000)	-	-	2,917,419 (USD 94,999,000)	256,421	100	(Note 2.(A)) 328,767	9,722,510	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,868,279 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	393,594	100	(Note 2.(A)) 428,556	9,413,254	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,019,799 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	4,939,170	100	(Note 2.(A)) 4,765,856	10,284,661	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	3,013,903 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	131,891	100	(Note 2.(A)) 131,891	3,403,220	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	42,994 (USD 1,400,000)	2. Cepheus International Co., Ltd.	34,395 (USD 1,120,000)	-	-	34,395 (USD 1,120,000)	675	75	(Note 2.(A)) 675	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	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.	678,136 (USD 22,081,923)	-	-	678,136 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note 13)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 13 and 14)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 5,892,663 (USD 191,880,923)	\$ 44,069,156 (USD 1,055,764,718) (RMB 2,641,316,560)	\$ 99,481,567

Note 1: The investing methods are categorized as follows:
1: Direct investment in companies in mainland China
2: Investment in companies in mainland China, which is made by a company incorporated via a third region
3: Others

Note 2: In the column:
1: This means the investee is under initial preparation and there were no gains or losses on investment.
2: The recognition of gains or losses on investment is based on:
(1) The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China
(2) The financial statements audited by the certified public accountant of the parent company in Taiwan
(3) Others

Note 3: The upper limit on investment in mainland China is calculated as \$165,802,612×60%=\$99,481,567

Note 4: The paid-in capital of US\$6,670,000, which is self-funding of Nanomag International Co., Ltd., is invested in Topo Technology (Suzhou) Co., Ltd. through Stella International Co., Ltd., and the paid-in capital of US\$33,300,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$33,300,000 is returned by capital reduction in the fourth quarter of 2014.

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

Note 6: The paid-in capital of US\$106,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., which were then invested in Meecca Technology (Suzhou Industrial Park) Co., Ltd., and the paid-in capital of US\$16,670,000 is earnings distributed in the third quarter of 2011. The amount of US\$16,670,000 was returned by 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 by capital reduction in the second quarter of 2017, and the amount of US\$32,000,000 was returned by capital reduction in the third quarter of 2017. Lyra International Co., Ltd. sold all of its equity in November 2021, but the investment amount has not yet been remitted to Taiwan and therefore has not been deducted from the investment amount approved by Investment Commission, MOEA.

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

Note 8: The paid-in capital of US\$16,670,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$40,000,000 was returned by capital reduction in the second quarter of 2014, and due to dissolution, US\$10,010,000 of capital were returned in August 2016; the remaining amount of capital has not been wired back to Taiwan.

Note 9: The paid-in capital of RMB227,510,746 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. On the other hand, US\$65,979,240 and RMB602,268,326 are earnings distributed from investees in mainland China to Nanomag International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd.

Note 10: The paid-in capital of US\$99,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Vito Technology (Suqian) Co., Ltd. through Uranus International Co., Ltd.

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

Note 12: The paid-in capital of US\$17,610,861 and RMB529,989,796 are earnings distributed from Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., which were then invested in Meecca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd. The paid-in capital of US\$20,000,000 and RMB284,660,400 are earnings and liquidation income distributed from Catcher Technology (Suzhou) Co., Ltd. and earnings distributed from Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Meecca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd. The paid-in capital of USD18,000,000 is earning distributed from Lyra International Co., Ltd. to Topo Technology (Taizhou) Co., Ltd., which were then invested in Meecca Technology (Taizhou) Co., Ltd. Lyra International Co., Ltd. sold all of its equity in December 2020, but the investment amount has not yet been remitted to Taiwan and therefore has not been deducted from the investment amount approved by Investment Commission, MOEA.

Note 13: The exchange rate on December 31, 2022 was US\$1:NT\$30.71.
The exchange rate on December 31, 2022 was RMB1:NT\$4.4094

Note 14: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012, and the remaining amount of capital has not been wired back to Taiwan.

Note 15: Sagitta International Co., Ltd. sold all of its shares of Chaohu Yunhai Magnesium Co., Ltd. in June 2016, and the remaining amount of capital has not been wired back to Taiwan.

Note 16: The paid-in capital of US\$71,010,000 and RMB\$ 188,956,820 are the proceeds from the liquidated shares in Catcher Technology (Suzhou) Co., Ltd. The amounts from the capital reduction in Topo Technology (Suzhou) Co., Ltd. and in Meecca Technology (Suzhou Industrial Park) Co., Ltd. are invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

TABLE 9

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% of Total Sales Or Assets
0	Catcher Technology Co., Ltd.	Next Level Ltd.	1	Purchases	\$ 1,333,899	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	4.79
		Nanomag International Co.,Ltd.	1	Other receivables from related parities	3,479,910		12.51
		Vito Technology (Suqian) Co., Ltd.	1	Purchases	53,700	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	0.19
1	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	3	Sales	225,615	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.81
				Processing income	953,582	The sales prices were not different from third parties, net 30 to 90 days after month end close.	3.43
				Processing expense	79,567	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.29
				Receivables from related parties	89,754		0.32
				Other receivables from related parities	603,571		2.17
		Envio Technology (Suqian) Co., Ltd.	3	Other payables from related parities	84,721		0.30
				Sales	3,436,314	The sales prices were not different from third parties, net 30 to 90 days after month end close.	12.35
				Purchases	185,321	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.67
				Processing income	60,679	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.22
				Processing expense	118,734	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.43
				Receivables from related parties	2,865,019		10.30
				Payables to related parties	126,601		0.46
				Other payables to related parities	63,011		0.23
				Sales	257,205	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.92
				Receivables from related parties	144,857		0.52
2	Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	3	Sales	3,399,031	The sales prices were not different from third parties, net 30 to 90 days after month end close.	12.22
		Envio Technology (Suqian) Co., Ltd.	3	Purchases	167,319	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.60
				Processing expense	75,461	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.27
				Receivables from related parties	2,540,649		9.13
		Arcadia Technology (Suqian) Co., Ltd.	3	Payables to related parties	110,159		0.40
				Processing expense	108,261	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.39
3	Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	3	Sales	1,328,742	The sale prices have no comparison with those from third parties, net 30 to 90 days after month end close.	4.78
				Receivables from related parties	380,587		1.37

Note 1: There are three categories of relationship between transaction, including:

- No. 1 Represents transactions from parent company to subsidiaries.
- No. 2 Represents transactions from subsidiaries to parent company.
- No. 3 Represents transactions among 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
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvements	Unfinished Construction and equipments Pending acceptance	Total
<u>Cost</u>									
Balance at January 1, 2021	\$ 2,179,324	\$ 18,944,392	\$ 54,185,876	\$ 157,114	\$ 2,207,868	\$ 3,615,781	\$ 271	\$ 132,738	\$ 81,423,364
Additions	398,224	70,556	223,420	752	10,611	253,234	-	16,763	973,560
Disposals	-	-	(1,385,641)	(5,800)	(18,955)	(51,096)	(270)	-	(1,461,762)
Reclassifications	-	152,258	105,954	143	(11)	(25,114)	-	(149,517)	83,713
Disposals of subsidiaries	-	(3,177,685)	(26,577)	-	(17,001)	(2,187)	-	-	(3,223,450)
Effects of foreign currency exchange differences	-	(69,962)	206,880	(524)	(7,933)	(12,129)	(1)	16	116,347
Balance at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 15,919,559</u>	<u>\$ 53,309,912</u>	<u>\$ 151,685</u>	<u>\$ 2,174,579</u>	<u>\$ 3,778,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,911,772</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2021	\$ -	\$ 7,706,082	\$ 46,120,913	\$ 126,284	\$ 1,982,490	\$ 2,919,641	\$ 248	\$ -	\$ 58,855,658
Depreciation expense	-	968,960	3,199,634	17,428	187,022	406,203	23	-	4,779,270
Disposals	-	-	(1,365,852)	(5,213)	(18,567)	(43,859)	(270)	-	(1,433,761)
Reclassifications	-	-	-	-	(46)	46	-	-	-
Disposals of subsidiaries	-	(2,305,270)	(26,577)	-	(17,001)	(2,187)	-	-	(2,351,035)
Effects of foreign currency exchange differences	-	(26,724)	236,324	(389)	(6,221)	(9,696)	(1)	-	193,293
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 6,343,048</u>	<u>\$ 48,164,442</u>	<u>\$ 138,110</u>	<u>\$ 2,127,677</u>	<u>\$ 3,270,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,043,425</u>
Carrying amount at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 9,576,511</u>	<u>\$ 5,145,470</u>	<u>\$ 13,575</u>	<u>\$ 46,902</u>	<u>\$ 508,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,868,347</u>
<u>Cost</u>									
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	-	28,074	113,814	39	42,722	233,570	-	-	418,219
Disposals	-	-	(1,138,756)	(530)	(5,625)	(19,451)	-	-	(1,164,362)
Reclassifications	(712,166)	(19,575)	82,194	-	995	1,318	-	-	(647,234)
Disposals of subsidiaries	-	-	-	-	-	(21,523)	-	-	(21,523)
Effects of foreign currency exchange differences	-	200,836	(966,155)	1,475	22,840	37,774	-	-	(703,230)
Balance at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 16,128,894</u>	<u>\$ 51,401,009</u>	<u>\$ 152,669</u>	<u>\$ 2,235,511</u>	<u>\$ 4,010,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,793,642</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2022	\$ -	\$ 6,343,048	\$ 48,164,442	\$ 138,110	\$ 2,127,677	\$ 3,270,148	\$ -	\$ -	\$ 60,043,425
Depreciation expense	-	760,008	2,161,133	10,813	71,833	360,408	-	-	3,364,195
Disposals	-	-	(1,003,607)	(330)	(5,625)	(19,192)	-	-	(1,028,754)
Reclassifications	-	(691)	-	-	-	-	-	-	(691)
Disposals of subsidiaries	-	-	-	-	-	(21,523)	-	-	(21,523)
Impairment Loss	-	-	(7,497)	-	-	-	-	-	(7,497)
Effects of foreign currency exchange differences	-	85,147	(1,030,878)	1,238	19,806	30,779	-	-	(893,908)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 7,187,512</u>	<u>\$ 48,283,593</u>	<u>\$ 149,831</u>	<u>\$ 2,213,691</u>	<u>\$ 3,620,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,455,247</u>
Carrying amount at December 31, 2022	<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>\$ -</u>	<u>\$ -</u>	<u>\$ 14,338,395</u>

Attachment II

Catcher Technology Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Catcher Technology Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2022 is as follows:

Due to the need of some sales customers, the Company places inventory in the shipping warehouses designated by the sales customers. The recognition of sales revenue is based on the reports provided by the customers' designated warehouse custodians, which were checked by the dedicated personnel of the Company. Since shipping warehouses are not directly managed by the Company and the recognition of sales revenue involves manual processing, we considered the authenticity of the sales related to the shipping warehouses a key audit matter for this year.

The main audit procedures that we performed in regard to this key audit matter include:

1. We obtained an understanding and tested the effectiveness of the design of the main internal control and implementation related to the sales revenue of the shipping warehouses.
2. We obtained the record of inventory movements in the shipping warehouses. We selected samples and checked the documents and payment status related to the sales revenue of shipping warehouses. We verified the occurrence of the sales and checked for any anomalies existing in the sales counterparties and the payment recipients.

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, as of and for the years ended December 31, 2022 and 2021, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for some investees accounted for using the equity method, the share of profit of subsidiaries and associates, and the amount of share of comprehensive income of subsidiaries and associates, are based solely on the reports of other auditors. The total investment in these investees accounted for using the equity method were NT\$1,978,253 thousand and NT\$6,628,626 thousand, accounting for 0.85% and 2.76% of total assets as of December 31, 2022 and 2021, respectively; the total amount of the Company's share of profit of subsidiaries and associates were NT\$(220,590) and NT\$44,708 thousand, accounting for (1.78%) and 0.48%, of the Company's profit of before income tax for the years ended December 31, 2022 and 2021, respectively; the amount of share of comprehensive income of subsidiaries and associates were NT\$(218,131) thousand and NT\$115,737 thousand, accounting for (0.85)% and 1.93% of the Company's comprehensive income for the years ended December 31, 2022 and 2021, respectively.

1)

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

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 for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 23, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

CATCHER TECHNOLOGY CO., LTD.

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,481,935	4	\$ 14,091,058	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	189,736	-	3,217,706	1
Financial assets at amortized cost - current (Notes 4, 9 and 30)	23,233,136	10	28,965,935	12
Trade receivables (Notes 4, 10 and 23)	1,908,876	1	2,954,957	1
Trade receivables from related parties (Notes 4 and 29)	-	-	799	-
Other receivables (Notes 4 and 10)	188,431	-	281,015	-
Other receivables from related parties (Notes 4 and 29)	3,480,461	1	122,566	-
Current tax assets (Notes 4 and 25)	-	-	84,316	-
Inventories (Notes 4, 5, 11 and 31)	1,192,484	1	1,238,939	1
Other current assets (Note 17)	69,835	-	96,140	-
Total current assets	39,744,894	17	51,053,431	21
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	57,330	-	36,240	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,663,942	11	21,890,529	9
Investments accounted for using the equity method (Notes 4 and 12)	159,323,660	69	158,331,356	66
Property, plant and equipment (Notes 4, 13, 29 and 31)	5,572,648	2	6,966,460	3
Right-of-use assets (Notes 4 and 14)	169,727	-	173,014	-
Investment properties (Notes 4 and 15)	953,276	1	221,565	-
Intangible assets (Notes 4 and 16)	15,392	-	29,423	-
Deferred tax assets (Notes 4 and 25)	413,636	-	1,097,886	1
Other non-current assets (Note 17)	11,213	-	7,758	-
Total non-current assets	192,180,824	83	188,754,231	79
TOTAL	\$ 231,925,718	100	\$ 239,807,662	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 30)	\$ 56,696,000	25	\$ 78,031,726	33
Contract liabilities - current (Notes 4 and 23)	42,803	-	32,742	-
Trade payables (Note 19)	304,650	-	640,865	-
Trade payables to related parties (Notes 19 and 29)	30,414	-	191,713	-
Other payables (Note 20)	3,060,972	1	3,990,515	2
Other payables to related parties (Note 29)	8,804	-	2,309	-
Current tax liabilities (Notes 4 and 25)	2,903,565	1	309,608	-
Lease liabilities - current (Notes 4 and 14)	5,923	-	8,514	-
Other current liabilities (Note 20)	16,959	-	19,910	-
Total current liabilities	63,070,090	27	83,227,902	35
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 25)	2,921,157	2	5,062,739	2
Lease liabilities - non-current (Notes 4 and 14)	126,297	-	124,534	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,569	-	6,578	-
Other non-current liabilities (Note 20)	10,036	-	8,776	-
Total non-current liabilities	3,064,059	2	5,202,627	2
Total liabilities	66,134,149	29	88,430,529	37
EQUITY (Note 22)				
Share capital - ordinary shares	7,144,671	3	7,616,181	3
Capital surplus	18,771,534	8	20,008,824	8
Retained earnings				
Legal reserve	22,354,680	10	21,497,294	9
Special reserve	16,961,466	7	14,394,310	6
Unappropriated earnings	102,803,702	44	108,287,799	45
Total retained earnings	142,119,848	61	144,179,403	60
Other equity	(2,244,484)	(1)	(16,961,466)	(7)
Treasury Shares	-	-	(3,465,809)	(1)
Total equity	165,791,569	71	151,377,133	63
TOTAL	\$ 231,925,718	100	\$ 239,807,662	100

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$ 8,306,338	100	\$ 14,030,564	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>6,727,278</u>	<u>81</u>	<u>12,238,987</u>	<u>87</u>
GROSS PROFIT	<u>1,579,060</u>	<u>19</u>	<u>1,791,577</u>	<u>13</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	187,388	2	202,050	2
General and administrative expenses	340,812	4	321,028	2
Research and development expenses	<u>422,848</u>	<u>5</u>	<u>471,552</u>	<u>3</u>
Total operating expenses	<u>951,048</u>	<u>11</u>	<u>994,630</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>628,012</u>	<u>8</u>	<u>796,947</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	1,128,250	14	289,551	2
Other income	89,928	1	73,621	-
Foreign exchange gains (losses), net	6,504,532	78	(2,005,282)	(14)
Other gains and losses	(760,587)	(9)	273,561	2
Interest expense	(703,860)	(9)	(480,516)	(4)
Share of profit of subsidiaries and associates	<u>5,493,049</u>	<u>66</u>	<u>10,336,983</u>	<u>74</u>
Total non-operating income and expenses	<u>11,751,312</u>	<u>141</u>	<u>8,487,918</u>	<u>60</u>
PROFIT BEFORE INCOME TAX	12,379,324	149	9,284,865	66
INCOME TAX EXPENSE (Notes 4 and 25)	<u>1,477,145</u>	<u>18</u>	<u>709,821</u>	<u>5</u>
NET PROFIT	<u>10,902,179</u>	<u>131</u>	<u>8,575,044</u>	<u>61</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
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	21,090	-	(47,940)	-
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method				
Shares of other equity of subsidiaries	<u>(52,654)</u>	<u>-</u>	<u>53,557</u>	<u>-</u>
	<u>(31,564)</u>	<u>-</u>	<u>5,617</u>	<u>-</u>

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 14,854,916	179	\$ (2,532,659)	(18)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	-	-	(41,301)	-
Share of the other comprehensive income of associates	(77,592)	(1)	-	-
	<u>14,777,324</u>	<u>178</u>	<u>(2,573,960)</u>	<u>(18)</u>
Other comprehensive loss for the year, net of income tax	<u>14,745,760</u>	<u>178</u>	<u>(2,568,343)</u>	<u>(18)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 25,647,939</u>	<u>309</u>	<u>\$ 6,006,701</u>	<u>43</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 15.14</u>		<u>\$ 11.31</u>	
Diluted	<u>\$ 15.11</u>		<u>\$ 11.24</u>	

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity		Total	Treasury shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2021	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	\$ (14,326,474)	\$ (67,836)	\$ (14,394,310)	\$ -	\$ 157,975,065
Appropriation of the 2020 earnings (Note 22)										
Legal reserve	-	-	1,965,163	-	(1,965,163)	-	-	-	-	-
Special reserve	-	-	-	2,205,804	(2,205,804)	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,139,417)	-	-	-	-	(9,139,417)
Overdue unclaimed dividends of shareholders	-	593	-	-	-	-	-	-	-	593
Net profit for the year ended December 31, 2021	-	-	-	-	8,575,044	-	-	-	-	8,575,044
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,532,659)	(35,684)	(2,568,343)	-	(2,568,343)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	8,575,044	(2,532,659)	(35,684)	(2,568,343)	-	6,006,701
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,187)	-	1,187	1,187	-	-
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(3,465,809)	(3,465,809)
BALANCE AT DECEMBER 31, 2021	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
Appropriation of the 2021 earnings (Note 22)										
Legal reserve	-	-	857,386	-	(857,386)	-	-	-	-	-
Special reserve	-	-	-	2,567,156	(2,567,156)	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,297,531)	-	-	-	-	(7,297,531)
Changes from investment in associates accounted for using equity method	-	-	-	-	(355)	-	-	-	-	(355)
Overdue unclaimed dividends of shareholders	-	1,192	-	-	-	-	-	-	-	1,192
Net profit for the year ended December 31, 2022	-	-	-	-	10,902,179	-	-	-	-	10,902,179
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	-	14,857,375	(111,615)	14,745,760	-	14,745,760
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,902,179	14,857,375	(111,615)	14,745,760	-	25,647,939
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	28,778	-	(28,778)	(28,778)	-	-
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(3,936,809)	(3,936,809)
Cancellation of treasury shares (Note 22)	(471,510)	(1,238,482)	-	-	(5,692,626)	-	-	-	7,402,618	-
BALANCE AT DECEMBER 31, 2022	\$ 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

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

(With Deloitte & Touche auditors’ report dated February 23, 2023)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 12,379,324	\$ 9,284,865
Adjustments for:		
Depreciation expense	806,521	904,044
Amortization expense	22,852	31,993
Loss (gain) on financial instruments at fair value through profit or loss	750,526	(282,794)
Interest expense	703,860	480,516
Interest income	(1,128,250)	(289,551)
Dividend income	(76,623)	(55,931)
Share of profit of subsidiaries and associates	(5,493,049)	(10,336,983)
Gain on disposal of property, plant and equipment	(23,886)	(23,102)
Transfer of property, plant and equipment to expenses	19	-
Unrealized gain on transactions with subsidiaries	-	31
Unrealized gain on foreign currency exchange	(363,581)	(511,374)
Changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables	1,046,081	3,597,353
Trade receivables from related parties	799	3,563,322
Other receivables	46,098	76,879
Other receivables from related parties	523,146	(57,175)
Inventories	46,456	1,151,527
Other current assets	24,306	(9,367)
Contract liabilities	10,061	26,346
Trade payables	(336,215)	208,670
Trade payables to related parties	(161,299)	(2,562,531)
Other payables	(937,537)	(919,475)
Other payables to related parties	(548)	(810)
Other current liabilities	(2,953)	(1,578,566)
Net defined benefit liabilities	(9)	20
Other non-current liabilities	-	(10)
Cash generated from operations	7,836,099	2,697,918
Dividends received	15,506,583	56,533
Income tax paid	(256,102)	(38,101)
Net cash generated from operating activities	<u>23,086,580</u>	<u>2,716,350</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(144,216,423)	(119,156,741)
Proceeds from sale of financial assets at amortized cost	146,542,441	114,911,347
Purchase of financial assets at fair value through profit or loss	(5,886,195)	(7,282,335)
Proceeds from sale of financial assets at fair value through profit or loss	8,349,915	4,508,114
Acquisitions of investments accounted for using the equity method	-	(3,475,000)
Payments for property, plant and equipment	(168,993)	(654,601)

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of property, plant and equipment	\$ 7,951	\$ 29,701
Increase in refundable deposits	(12,000)	(22)
Decrease in refundable deposits	22	120
Payments for of intangible assets	(1,327)	(9,503)
Payments for investment properties	-	(410)
Interest received	<u>1,004,499</u>	<u>314,487</u>
Net cash generated from (used in) investing activities	<u>5,619,890</u>	<u>(10,814,843)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	406,059,178	321,126,452
Repayments of short-term borrowings	(427,394,904)	(313,560,452)
Proceeds from guarantee deposits received	3,369	700
Refunds of guarantee deposits received	(1,150)	(900)
Repayment of the principal portion of lease liabilities	(9,797)	(8,413)
Cash dividends paid	(7,297,490)	(9,139,417)
Payments for buy-back of ordinary shares	(3,981,444)	(3,421,174)
Interest paid	(694,547)	(478,470)
Proceeds from unclaimed dividends	<u>1,192</u>	<u>593</u>
Net cash used in financing activities	<u>(33,315,593)</u>	<u>(5,481,081)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,609,123)	(13,579,574)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>14,091,058</u>	<u>27,670,632</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,481,935</u>	<u>\$ 14,091,058</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. GENERAL INFORMATION

Catcher Technology Co., Ltd. (the “Company”) was incorporated in November 1984 under the laws of the Republic of China (ROC). The Company mainly manufactures and sells aluminum and magnesium extrusion and stamping products and molds. It also provides 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 financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were published after being approved by the Company’s board of directors on February 23, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED 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 Company’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period

beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

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

- c. The 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 determined by IASB
Amendments to IFRS 16 "Leases 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 9 and IFRS 17 - 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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The parent company only 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 are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for assets or liabilities.

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Foreign currencies

In preparing the parent Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items denominated in foreign currencies and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, assets and liabilities of a foreign operation (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

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

f. Investment accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investment in associates

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

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such

assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

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

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

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

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets and assets related to contract costs

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those

goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, investments in debt instruments, accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, commercial papers and repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables) at the end of each reporting period.

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, the carrying amount is weighted average calculation to stock types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of metal casing. Sales of metal casing product are recognized as revenue when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, which is determined for export sales on the bases of the terms of the trade and for domestic sales on the bases of the acceptance date of the counterparty. Accounts receivable are recognized concurrently. Advance receipts are recognized as contract liabilities before the conditions of trade of the products are reached.

The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

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

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company will use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Borrowing costs

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

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

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

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

a. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience of product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

b. Income taxes

For the purpose of expanding the Company's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved of the board of directors in previous years that the unappropriated retained earnings of overseas subsidiaries. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings (refer to Note 25). If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. The Company evaluated the optimization of its working capital

and tax planning. The board of directors Nanomag International Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on October 24, 2022. The remaining unappropriated retained earnings of other overseas subsidiaries will still be estimated using for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 408	\$ 424
Demand deposits in banks	4,361,307	1,668,690
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	5,120,220	12,258,347
Repurchase agreements	-	66,050
Commercial Paper	-	97,547
	<u>\$ 9,481,935</u>	<u>\$ 14,091,058</u>

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

	December 31	
	2022	2021
Time deposits	4.15%-4.57%	0.17%-2.95%
Repurchase agreements	-	1%
Commercial Paper	-	0.3%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ -	\$ 1,508,310
Domestic quoted shares	<u>189,736</u>	<u>1,709,396</u>
	<u>\$ 189,736</u>	<u>\$ 3,217,706</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31	
	2022	2021
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	\$ -	\$ -
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	57,330	36,240
	<u>\$ 57,330</u>	<u>\$ 36,240</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 8,545,862	\$ 28,578,291
Restricted bank deposit (a and b)	14,687,274	-
Repurchase agreements (a)	-	387,644
	<u>\$ 23,233,136</u>	<u>\$ 28,965,935</u>
<u>Non-current</u>		
Domestic investments		
Restricted bank deposit (a and c)	\$ 25,380,176	\$ 21,635,436
Time deposits with original maturity of more than 1 year (a)	282,072	254,196
Refundable deposits	1,694	897
	<u>\$ 25,663,942</u>	<u>\$ 21,890,529</u>

a. The interest rate intervals of time deposits and repurchase agreements:

	December 31	
	2022	2021
Time deposits	3.57%-5.11%	0.12%-2.72%
Repurchase agreements	-	1%-1.2%

- b. Refer to Note 30 for information relating to financial assets at amortized cost-current pledged as security.
- c. Restricted bank deposits were funds that the Company deposited in the segregated foreign exchange deposit account in accordance with “the Management, Utilization, and Taxation of Repatriated offshore Funds Act”.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,917,314	\$ 2,963,395
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 1,908,876</u>	<u>\$ 2,954,957</u>
Other receivables	<u>\$ 188,431</u>	<u>\$ 281,015</u>

a. Trade receivables

The average credit period of sales of goods was 30 to 180 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company’s credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company’s different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2022

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%-0.444%	0%	0%	
Gross carrying amount	\$ 1,901,390	\$ 15,795	\$ 129	\$ 1,917,314
Loss allowance (Lifetime ECLs)	<u>(8,438)</u>	<u>-</u>	<u>-</u>	<u>(8,438)</u>
Amortized cost	<u>\$ 1,892,952</u>	<u>\$ 15,795</u>	<u>\$ 129</u>	<u>\$ 1,908,876</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%-0.283%	0%-2.366%	0%-4.762%	
Gross carrying amount	\$ 2,957,614	\$ 5,781	\$ -	\$ 2,963,395
Loss allowance (Lifetime ECLs)	<u>(8,364)</u>	<u>(74)</u>	<u>-</u>	<u>(8,438)</u>
Amortized cost	<u>\$ 2,949,250</u>	<u>\$ 5,707</u>	<u>\$ -</u>	<u>\$ 2,954,957</u>

There is no movements of the loss allowance of trade receivables in 2022 and 2021.

b. Other receivables

The Company analyzed other receivables that were not past due based on the past due status, and the Company did not recognize an allowance for loss on other receivables as of December 31, 2022 and 2021.

11. INVENTORIES

	December 31	
	2022	2021
Merchandise	\$ 4,980	\$ 11,033
Finished goods	717,551	689,073
Work-in-process and semi-finished goods	387,983	386,413
Raw materials and supplies	<u>81,970</u>	<u>152,420</u>
	<u>\$ 1,192,484</u>	<u>\$ 1,238,939</u>

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	\$ 6,742,163	\$ 12,254,239
Others	<u>(14,885)</u>	<u>(15,252)</u>
	<u>\$ 6,727,278</u>	<u>\$ 12,238,987</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 159,320,891	\$ 158,323,306
Investments in associates	<u>2,769</u>	<u>8,050</u>
	<u>\$ 159,323,660</u>	<u>\$ 158,331,356</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Unlisted Shares		
Gigamag Co., Ltd.	\$ 1,934,100	\$ 827,183
Nanomag International Co., Ltd.	152,134,044	152,280,408
Ku Yue Co., Ltd.	2,910,748	2,976,267
Yi Sheng Co., Ltd.	1,063,672	1,018,111
Yi De Co., Ltd.	1,082,883	1,021,328
Catcher Medtech Co., Ltd.	<u>195,444</u>	<u>200,009</u>
	<u>\$ 159,320,891</u>	<u>\$ 158,323,306</u>

	Proportion of Ownership and Voting Rights	
	December 31, 2022	December 31, 2021
Gigamag Co., Ltd.	100%	100%
Nanomag International Co., Ltd.	100%	100%
Ku Yue Co., Ltd.	100%	100%
Yi Sheng Co., Ltd.	100%	100%
Yi De Co., Ltd.	100%	100%
Catcher Medtech Co., Ltd.	100%	100%
Catcher Holdings International Inc.	-	-

The Company incorporated its 100% owned subsidiaries, Catcher Medtech Co., Ltd. in September 2021.

The Company established Catcher Holdings International Inc. in June 2022. As of December 31, 2022, no investment funding has been remitted.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 was based on the subsidiaries' financial statements which have been audited for the same years.

The Company disposed of Suzhou subsidiaries (Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd.) Refer to Note 29 of the Company's consolidated financial statements for the year ended December 31, 2022.

b. Investments in associates

	December 31	
	2022	2021
Investments in associates		
Associates that are not individually material	\$ 2,769	\$ 8,050

Aggregate information of associates that are not individually material was as follows:

	For the Year Ended December 31	
	2022	2021
The Company's share of:		
Net profit and total comprehensive income (loss) for the year	\$ (5,281)	\$ (3,533)

13. PROPERTY, PLANT AND EQUIPMENT

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

See Table 9 for the statements of changes in property, plant and equipment for the years ended December 31, 2022 and 2021.

No impairment assessment was performed for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

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 improvements	3 - 5 years

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
<u>Carrying amount</u>		
Land	\$ 167,389	\$ 164,249
Buildings	<u>2,338</u>	<u>8,765</u>
	<u>\$ 169,727</u>	<u>\$ 173,014</u>
	For the Year Ended December 31	
	2022	2021
Additions to right-of-use asset	<u>\$ 12,689</u>	<u>\$ 10,518</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,042	\$ 5,904
Buildings	<u>6,214</u>	<u>5,238</u>
	<u>\$ 12,256</u>	<u>\$ 11,142</u>
Income from the subleasing of right-of-use assets (presented in operating revenue)	<u>\$ (965)</u>	<u>\$ (2,238)</u>

Except for the additions and recognition of depreciation, the Company's right-of-use assets are not subleased and no impairment assessment was performed in 2022 and 2021.

b. Lease liabilities

	December 31	
	2022	2021
<u>Carrying amount</u>		
Current	<u>\$ 5,923</u>	<u>\$ 8,514</u>
Non-current	<u>\$ 126,297</u>	<u>\$ 124,534</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	0.71%	0.71%
Buildings	0.71%	0.71%

c. Material lease-in activities and terms

The Company 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 Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Subleases

The Company 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:

	December 31	
	2022	2021
Year 1	\$ -	\$ 2,269

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ 930	\$ 655
Total cash outflow for leases	\$ 11,687	\$ 10,006

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

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 203,363	\$ 154,876	\$ 358,239
Additions	-	410	410
Balance at December 31, 2021	\$ 203,363	\$ 155,286	\$ 358,649
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 131,243	\$ 131,243
Depreciation	-	5,841	5,841
Balance at December 31, 2021	\$ -	\$ 137,084	\$ 137,084
Carrying amount at December 31, 2021	\$ 203,363	\$ 18,202	\$ 221,565

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 203,363	\$ 155,286	\$ 358,649
Additions	-	245	245
Transfer from property, plant and equipment	<u>712,166</u>	<u>25,929</u>	<u>738,095</u>
Balance at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 181,460</u>	<u>\$ 1,096,989</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,084	\$ 137,084
Depreciation	-	5,938	5,938
Transfer from property, plant and equipment	<u>-</u>	<u>691</u>	<u>691</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 143,713</u>	<u>\$ 143,713</u>
Carrying amount at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 37,747</u>	<u>\$ 953,276</u>

(Concluded)

The investment properties are depreciated by the straight-line method over their estimated useful lives as follows:

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

Due to the impact of the COVID-19 pandemic on the market economy in 2021, the Company agreed to defer the rental collections for the period between June 5, 2021 and December 5, 2021 to the period between December 5, 2021 and June 5, 2022.

The determination of fair value was performed by independent qualified professional valuers. The fair value was measured using Level 3 inputs or was arrived at by reference to market evidence of transaction prices for similar properties. The fair value was as follows:

	December 31	
	2022	2021
Fair Value	<u>\$ 1,625,279</u>	<u>\$ 768,833</u>

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

The investment properties are leased out from February, 2017 to August, 2027. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2022	2021
Year 1	\$ 28,994	\$ 10,037
Year 2	29,174	7,560
Year 3	27,266	7,560
Year 4	21,480	7,560
Year 5	5,862	7,560
Year 6 onwards	-	1,565
	<u>\$ 112,776</u>	<u>\$ 41,842</u>

16. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 146,240	\$ -	\$ 146,240
Additions	5,888	29,700	35,588
Disposals	<u>(1,365)</u>	<u>-</u>	<u>(1,365)</u>
Balance at December 31, 2021	<u>\$ 150,763</u>	<u>\$ 29,700</u>	<u>\$ 180,463</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 135,378	\$ -	\$ 135,378
Amortization expense	<u>9,162</u>	<u>6,500</u>	<u>15,662</u>
Balance at December 31, 2021	<u>\$ 144,540</u>	<u>\$ 6,500</u>	<u>\$ 151,040</u>
Carrying amount at December 31, 2021	<u>\$ 6,223</u>	<u>\$ 23,200</u>	<u>\$ 29,423</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 150,763	\$ 29,700	\$ 180,463
Additions	<u>1,353</u>	<u>-</u>	<u>1,353</u>
Balance at December 31, 2022	<u>\$ 152,116</u>	<u>\$ 29,700</u>	<u>\$ 181,816</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 144,540	\$ 6,500	\$ 151,040
Amortization expense	<u>4,838</u>	<u>10,546</u>	<u>15,384</u>
Balance at December 31, 2022	<u>\$ 149,378</u>	<u>\$ 17,046</u>	<u>\$ 166,424</u>

Carrying amount at December 31, 2022	\$ 2,738	\$ 12,654	\$ 15,392
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The above intangible assets are amortized on a straight-line basis over 2-10 years estimated useful lives.

17. OTHER ASSETS

	December 31	
	2022	2021
<u>Current</u>		
Office supplies	\$ 49,820	\$ 66,121
Temporary payments	12,461	273
Prepayments to suppliers	-	15,626
Prepaid expenses	6,980	13,545
Net Input VAT	500	500
Others	74	75
	<u>\$ 69,835</u>	<u>\$ 96,140</u>
<u>Non-current</u>		
Prepaid equipment	\$ 10,789	\$ 6,738
Others	424	1,020
	<u>\$ 11,213</u>	<u>\$ 7,758</u>

18. SHORT - TERM BORROWINGS

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Bank unsecured loans	\$ 43,696,000	\$ 78,031,726
Secured borrowings (Note 30)		
Bank secured loans	<u>13,000,000</u>	<u>-</u>
	<u>\$ 56,696,000</u>	<u>\$ 78,031,726</u>

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

	December 31	
	2022	2021
Bank unsecured loans	1.3%- 1.98%	0.6%-0.88%
Bank secured loans	1.3%-1.56%	-

19. TRADE PAYABLES

All payables resulted from operating activities.

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

20. OTHER LIABILITIES

	December 31	
	2022	2021
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 2,067,335	\$ 2,705,255
Payables for salaries and bonuses	394,920	438,070
Payables for office supplies	130,402	224,733
Payables for purchases of equipment	37,357	81,253
Payables for annual leave	79,476	83,264
Payables for labor and health insurance	21,867	49,712
Payables for shipping expenses	11,959	17,794
Payables for technical services	130,296	77,784
Payables for professional service fees	12,742	13,651
Payables for utilities	26,582	30,277
Payables for pension	17,203	26,023
Remuneration of directors	18,200	16,400
Payables for interest	23,099	13,836
Others	89,534	212,463
	<u>\$ 3,060,972</u>	<u>\$ 3,990,515</u>
Other liabilities		
Advance sales receipts	\$ 3,081	\$ 5,225
Receipts under custody	-	14,608
Others	13,878	77
	<u>\$ 16,959</u>	<u>\$ 19,910</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 10,036	\$ 8,776

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the ROC government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts

equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ 84,953	\$ 80,463
Fair value of plan assets	<u>(78,384)</u>	<u>(73,885)</u>
Net defined benefit liabilities	<u>\$ 6,569</u>	<u>\$ 6,578</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	<u>\$ 80,599</u>	<u>\$ (74,041)</u>	<u>\$ 6,558</u>
Service cost			
Current service cost	2,116	-	2,116
Net interest expense (income)	<u>282</u>	<u>(262)</u>	<u>20</u>
Recognized in profit or loss	<u>2,398</u>	<u>(262)</u>	<u>2,136</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,092)	(1,092)
Actuarial loss - changes in demographic assumptions	4,312	-	4,312
Actuarial gain - changes in financial assumptions	(3,425)	-	(3,425)
Actuarial loss - experience adjustments	<u>205</u>	<u>-</u>	<u>205</u>
Recognized in other comprehensive income	<u>1,092</u>	<u>(1,092)</u>	<u>-</u>
Contributions from the employer	-	(2,116)	(2,116)
Benefits paid	<u>(3,626)</u>	<u>3,626</u>	<u>-</u>
Balance at December 31, 2021	<u>80,463</u>	<u>(73,885)</u>	<u>6,578</u>
Service cost			
Current service cost	2,162	-	2,162
Net interest expense (income)	<u>603</u>	<u>(562)</u>	<u>41</u>
Recognized in profit or loss	<u>2,765</u>	<u>(562)</u>	<u>2,203</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,570)	(5,570)
Actuarial gain - changes in financial assumptions	(4,508)	-	(4,508)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - experience adjustments	\$ 10,078	\$ -	\$ 10,078
Recognized in other comprehensive income	5,570	(5,570)	-
Contributions from the employer	-	(2,212)	(2,212)
Benefits paid	(3,845)	3,845	-
Balance at December 31, 2022	<u>\$ 84,953</u>	<u>\$ (78,384)</u>	<u>\$ 6,569</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	\$ 1,371	\$ 1,365
Selling and marketing expenses	105	81
General and administrative expenses	487	384
Research and development expenses	<u>240</u>	<u>306</u>
	<u>\$ 2,203</u>	<u>\$ 2,136</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate	1.40%	0.75%
Expected rate of salary increase	2%	2%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will (decrease) increase as follows:

	December 31	
	2022	2021
Discount rate		
0.25% increase	\$ (1,769)	\$ (2,182)
0.25% decrease	\$ 1,825	\$ 2,253
Expected rate of salary increase		
0.25% increase	\$ 1,748	\$ 2,145
0.25% decrease	\$ (1,703)	\$ (2,088)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plan within one year	\$ 2,212	\$ 2,116
Average duration of the defined benefit obligation	9 years	10 years

22. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	\$ 10,000,000	\$ 10,000,000
Number of shares issued and fully paid (in thousands)	714,467	761,618
Shares issued	\$ 7,144,671	\$ 7,616,181

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

On February 24, 2022, the Company's board of directors approved a capital reduction to cancel the Company's NT\$31,865 thousand treasury shares, and the record date was February 28, 2022. The Company's paid-in capital was NT\$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 NT\$15,286 thousand treasury shares, and the record date was August 12, 2022. The Company's paid-in capital was NT\$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 share options.

2) Global depositary receipts

In June 2011, the Company increased its capital by listing its shares in the form of Global Depositary Receipts (GDRs). Each GDR was represented 5 ordinary shares. The Company issued 6,700 thousand units of GDRs, representing 33,500 thousand ordinary shares.

As of December 31, 2022 and 2021, there were 21 thousand units and 417 thousand units of outstanding GDRs, equivalent to 107 thousand ordinary shares and 2,084 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2022	2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Arising from issuance of ordinary shares	\$ 6,918,728	\$ 7,375,327
Arising from conversion of bonds	11,847,671	12,629,553
<u>May only be used to offset a deficit</u>		
Overdue unclaimed dividends of shareholders	5,135	3,944
	<u>\$ 18,771,534</u>	<u>\$ 20,008,824</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, the proposal for profit distribution or offsetting of losses can be made at the end of each six months of the fiscal year, when the Company makes profit in the first half of the fiscal year, the profit should be appropriated as follows:

- 1) Pay taxes;
- 2) Offset against deficit, if any;
- 3) Estimate compensation of employees and remuneration of directors;
- 4) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;
- 5) Reverse a special reserve in accordance with the laws or operating needs; and
- 6) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders in issuance of ordinary share and resolved in the Company's board of directors for the distribution of dividends and bonus in cash.

When the Company makes profit in a fiscal year, the profit should be appropriated as follows:

- 1) Pay taxes;
- 2) Offset against deficit, if any;
- 3) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;
- 4) Reverse a special reserve in accordance with the laws or operating needs; and
- 5) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders in issuance of ordinary share.

The Company is still in the growing stage and is continuing to expand its operating scale with due consideration of the viability of the economic situation. The board of directors shall be focusing on growing dividends in a stable manner when proposing the appropriation of annual earnings. However, cash dividends shall not be less than 10% of the total dividends, and cash dividends shall be distributed although the dividends per share is less than NT\$0.5.

For the policies on the distribution of the compensation of employees and remuneration of directors after the amendment, refer to "Compensation of employees and remuneration of directors" in Note 24(h).

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

The appropriations of earnings for 2021 and 2020 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 857,386	\$ 1,965,163
Special reserve	\$ 2,567,156	\$ 2,205,804
Cash dividends	\$ 7,297,531	\$ 9,139,417
Cash dividends per share (NT\$)	\$ 10	\$ 12

The Company's board of directors resolved to distribute cash dividends on April 6, 2022 and April 20, 2021, respectively; the retained earnings were resolved by the shareholders in their meetings on May 27, 2022 and August 27, 2021, respectively.

d. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (16,859,133)	\$ (14,326,474)
Exchange differences on translating the financial statements of foreign operations	14,854,916	(2,532,659)
Share from subsidiaries accounted for using the equity method	<u>2,459</u>	<u>-</u>
Balance at December 31	<u>\$ (2,001,758)</u>	<u>\$ (16,859,133)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (102,333)	\$ (67,836)
Recognized for the year		
Unrealized gain (loss) - equity instruments	21,090	(47,940)
Share from subsidiaries accounted for using the equity method	(308,525)	11,932
Reclassification adjustments		
Proceeds from subsidiaries accounted for using the equity method	175,820	324
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(28,778)</u>	<u>1,187</u>
Balance at December 31	<u>\$ (242,726)</u>	<u>\$ (102,333)</u>

e. Treasury shares

Purpose of Buy-back	Shares Cancelled (In Thousands of Shares)
Number of shares at January 1, 2022	21,567
Increase during the year	25,584
Decrease during the year	<u>47,151</u>
Number of shares at December 31, 2022	<u>-</u>
Number of shares at January 1, 2021	-
Increase during the year	<u>21,567</u>
Number of shares at December 31, 2021	<u>21,567</u>

To maintain the Company's credit and shareholders' equity, on April 6, 2022, the Company's board of directors resolved to buy back 25,000 thousand shares from April 7, 2022 to June 6, 2022 at a price ranging from NT\$102.2 per share to NT\$220.5 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 15,286 thousand shares with a total cost of NT\$2,307,209 thousand.

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\$106.8 per share to NT\$238.5 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 16,332 thousand shares with a total cost of NT\$2,560,844 thousand.

To maintain the Company's credit and shareholders' equity, on September 16, 2021, the Company's board of directors resolved to buy back 25,000 thousand shares from September 16, 2021 to November 15, 2021 at a price ranging from NT\$109.2 per share to NT\$256.8 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 15,533 thousand shares with a total cost of NT\$2,533,309 thousand.

On February 24, 2022, the Company's board of directors resolved that February 28, 2022 was the record date for capital reduction and cancellation of treasury shares 31,865 thousand shares.

On August 8, 2022, the Company's board of directors approved a capital reduction to cancel the Company's 15,286 thousand shares, and the record date was August 12, 2022.

According to the Securities and Exchange Act, treasury shares should not exceed 10% of the Company's issued and outstanding shares, and the total amount of treasury shares should not exceed the total retained earnings and realized additional paid-in capital.

Under 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.

23. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 8,286,171	\$ 14,012,341
Rental income	<u>20,167</u>	<u>18,223</u>
	<u>\$ 8,306,338</u>	<u>\$ 14,030,564</u>

a. Contract information

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

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables			
Gross carrying amount	\$ 1,917,314	\$ 2,963,395	\$ 6,560,748
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 1,908,876</u>	<u>\$ 2,954,957</u>	<u>\$ 6,552,310</u>
Contract liabilities - current			
Sale of goods	<u>\$ 42,803</u>	<u>\$ 32,742</u>	<u>\$ 6,396</u>

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	\$ 1,126,274	\$ 284,758
Repurchase agreements	<u>1,976</u>	<u>4,793</u>
	<u>\$ 1,128,250</u>	<u>\$ 289,551</u>

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividend income	\$ 76,623	\$ 55,931
Government grants	3,536	2,358
Recycling income	2,696	2,777
Tax refund income	12	-
Others	<u>7,061</u>	<u>12,555</u>
	<u>\$ 89,928</u>	<u>\$ 73,621</u>

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets mandatorily classified as at FVTPL	\$ (750,526)	\$ 282,794
Others	<u>(10,061)</u>	<u>(9,233)</u>
	<u>\$ (760,587)</u>	<u>\$ 273,561</u>

d. Interest expense

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 702,904	\$ 479,578
Interest on lease liabilities	<u>956</u>	<u>938</u>
	<u>\$ 703,860</u>	<u>\$ 480,516</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 759,731	\$ 858,195
Operating expenses	<u>46,790</u>	<u>45,849</u>
	<u>\$ 806,521</u>	<u>\$ 904,044</u>
An analysis of amortization by function		
Operating costs	\$ 5,825	\$ 17,263
Operating expenses	<u>17,027</u>	<u>14,730</u>
	<u>\$ 22,852</u>	<u>\$ 31,993</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses from investment properties generating rental income	<u>\$ 9,001</u>	<u>\$ 7,879</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 3,048,782	\$ 3,264,352
Post-employment benefits		
Defined contribution plans	94,092	97,884
Defined benefit plans (Note 21)	<u>2,203</u>	<u>2,136</u>
	<u>96,295</u>	<u>100,020</u>
	<u>\$ 3,145,077</u>	<u>\$ 3,364,372</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,655,587	\$ 2,897,257
Operating expenses	<u>489,490</u>	<u>467,115</u>
	<u>\$ 3,145,077</u>	<u>\$ 3,364,372</u>

h. Compensation of employees and remuneration of directors

The Company accrued 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, compensation of employees, and remuneration of directors. 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:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	1.24%	5.33%
Remuneration of directors	0.14%	0.17%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 155,823	\$ -	\$ 521,976	\$ -
Remuneration of directors	\$ 18,200	-	\$ 16,400	-

If there are changes in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2021 and 2020.

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. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	\$ 14,597,774	\$ 2,626,590
Foreign exchange losses	<u>(8,093,242)</u>	<u>(4,631,872)</u>
	<u>\$ 6,504,532</u>	<u>\$ (2,005,282)</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 851,959	\$ -
Income tax on unappropriated earnings	-	340,681
Adjustment for prior years	(69,815)	10,916
Tax on repatriated offshore funds	<u>2,152,333</u>	<u>-</u>
	<u>2,934,477</u>	<u>351,597</u>
Deferred tax		
In respect of the current year	(1,463,806)	239,088
Adjustment for prior years	<u>6,474</u>	<u>119,136</u>
	<u>(1,457,332)</u>	<u>358,224</u>
	<u>\$ 1,477,145</u>	<u>\$ 709,821</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before income tax	<u>\$ 12,379,324</u>	<u>\$ 9,284,865</u>
Income tax expense calculated at the statutory rate	\$ 2,475,864	\$ 1,856,973
Unrealized gains on investments	(1,069,622)	(2,010,052)
Non-deductible expenses in determining taxable income	150,153	13,349
Additive expense in determining taxable income	(9,322)	-
Deferred tax effect of earnings of subsidiaries	-	456,045
Tax-exempt income	(6,587)	(77,227)
Additional income tax on unappropriated earnings	-	340,681
Adjustments for prior years' deferred tax	6,474	119,136
Adjustments for prior years' tax	<u>(69,815)</u>	<u>10,916</u>
	<u>\$ 1,477,145</u>	<u>\$ 709,821</u>

The applicable corporate income tax rate used by the Company is 20%, and the tax rate of unappropriated earnings is 5%.

b. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	<u>\$ -</u>	<u>\$ 84,316</u>
Current tax liabilities		
Income tax payable	<u>\$ 2,903,565</u>	<u>\$ 309,608</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 143,609	\$ (17,605)	\$ 126,004
Unrealized sales returns	24	-	24
Defined benefit obligation	1,315	(1)	1,314
Payables for annual leave	16,653	(758)	15,895
Unrealized gain on disposals of property, plant and equipment	412	1,297	1,709
Unrealized intercompany profit	66,487	(28,988)	37,499
Depreciation differences	10,751	39,633	50,384
Other payables	15,557	10,502	26,059
Unrealized foreign exchange losses	179,185	(24,437)	154,748
	433,993	(20,357)	413,636
Tax losses	663,893	(663,893)	-
	<u>\$ 1,097,886</u>	<u>\$ (684,250)</u>	<u>\$ 413,636</u>

Deferred tax liabilities

Temporary differences			
Depreciation differences	\$ -	\$ 10,751	\$ 10,751
Reserves for land value increment tax	12,597	-	12,597
Investment Income	5,050,142	(2,152,333)	2,897,809
	<u>\$ 5,062,739</u>	<u>\$ (2,141,582)</u>	<u>\$ 2,921,157</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 216,027	\$ (72,418)	\$ 143,609
Impairment loss on property, plant and equipment	31	(31)	-
Unrealized sales returns	31	(7)	24
Defined benefit obligation	1,311	4	1,315
Payables for annual leave	17,199	(546)	16,653
Unrealized gain on disposals of property, plant and equipment	148	264	412
Unrealized intercompany profit	123,826	(57,339)	66,487
Depreciation differences	-	10,751	10,751
			(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Other payables	\$ 6,639	\$ 8,918	\$ 15,557
Unrealized foreign exchange losses	<u>346,092</u>	<u>(166,907)</u>	<u>179,185</u>
	711,304	(277,311)	433,993
Tax losses	<u>298,494</u>	<u>365,399</u>	<u>663,893</u>
	<u>\$ 1,009,798</u>	<u>\$ 88,088</u>	<u>\$ 1,097,886</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Depreciation differences	\$ 10,465	\$ (10,465)	\$ -
Reserves for land value increment tax	12,597	-	12,597
Investment Income	<u>4,593,365</u>	<u>456,777</u>	<u>5,050,142</u>
	<u>\$ 4,616,427</u>	<u>\$ 446,312</u>	<u>\$ 5,062,739</u>
			(Concluded)

- d. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

The taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized amounted to NT\$13,697,746 thousand and NT\$12,388,484 thousand as of December 31, 2022 and 2021, respectively.

- e. Income tax assessments

The tax returns of the Company through 2020.

26. EARNINGS PER SHARE

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

Net profit for the year

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Net profit for the year of the Company	<u>\$ 10,902,179</u>	<u>\$ 8,575,044</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares in computation of basic earnings per share	720,239	758,241
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>1,443</u>	<u>4,470</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>721,682</u>	<u>762,711</u>

The Company may settle compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Company requires significant amounts of capital to build and expand its production facilities and equipment. The Company manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, dividends payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The carrying amounts of financial instruments that are not measured at fair value approximate their fair value recognized in the parent company only financial statements; these financial instruments include cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, refundable deposits, short-term loans, accounts payable, other payables, and guarantee deposits received.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 189,736	\$ -	\$ -	\$ 189,736
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 57,330	\$ 57,330

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 1,709,396	\$ -	\$ -	\$ 1,709,396
Mutual funds	1,508,310	-	-	1,508,310
	\$ 3,217,706	\$ -	\$ -	\$ 3,217,706
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 36,240	\$ 36,240

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 36,240	\$ 84,180
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at financial assets at FVTOCI)	21,090	(47,940)
Balance at December 31	\$ 57,330	\$ 36,240

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

The fair value of unlisted equity securities in the ROC was based on the recent net equity.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 189,736	\$ 3,217,706
Financial asset at amortized cost (i)	63,956,781	68,306,859
Financial assets at FVTOCI		
Equity instruments	57,330	36,240

Financial liabilities

Financial liabilities measured at amortized cost (ii)	60,110,876	82,865,904
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- i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, trade receivables, other receivables and refundable deposits.
- ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, and lease liabilities. The Company's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze 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.

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's activities exposed it 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 have been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the United States dollars (USD) and renminbi (RMB).

The following table details the Company'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 included only outstanding foreign-currency denominated monetary items. A positive number below indicates an increase in profit before income tax that would result when the NTD weakens by 1% against the relevant currency. For a 1% strengthening of the NTD against the relevant currency, there would be an equal and opposite impact on profit before income tax and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 630,115	\$ 660,167
	RMB Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 509	\$ 2,360

The result was mainly attributable to the exposure on outstanding USD-denominated and RMB-denominated cash and cash equivalents, financial assets at amortized cost and receivables and payables which were not hedged at the end of the reporting period.

The Company's sensitivity to the USD and RMB decreased during the current period mainly due to the decrease in net assets denominated in USD and RMB. In management's opinion, the sensitivity analysis was unrepresentative of inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 54,015,604	\$ 63,277,511
Financial liabilities	132,220	133,048
Cash flow interest rate risk		
Financial assets	4,361,307	1,668,690
Financial liabilities	56,696,000	78,031,726

Sensitivity analysis

The sensitivity analysis below was based on the Company's exposure to interest rates for

non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the years ended December 31, 2022 and 2021 would have decreased by NT\$52,335 thousand and NT\$76,363 thousand, respectively; the change would have been mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings of cash flow.

The Company's sensitivity to interest rates lower during the current period mainly due to the decreased in variable rate financial liabilities.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$1,897 thousand and NT\$32,177 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

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 Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which could cause a financial loss to the Company 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 Company's exposure to default by those parties to be material; ongoing credit evaluation is also performed on the financial condition of customers with whom the Company has accounts receivable.

Information on credit risk concentration as of December 31, 2022 and 2021 was as follows:

	December 31			
	2022		2021	
	Amount	%	Amount	%
Customer A	\$ -	-	\$ 248,994	8%
Customer B	1,224,864	64%	1,655,145	56%
Customer C	260,586	14%	656,946	22%

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and

ensures compliance with loan covenants.

The Company's operating funds and bank loan credit line are deemed sufficient to meet cash flow demands; therefore, liquidity risk is not considered to be significant.

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

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal 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 dates for other non-derivative financial liabilities are based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

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	\$ 3,287,774	\$ 117,066	\$ 10,036	\$ -
Lease liabilities	1,171	5,657	17,942	120,700
Variable interest rate liabilities	-	57,258,584	-	-
	<u>\$ 3,288,945</u>	<u>\$ 57,381,307</u>	<u>\$ 27,978</u>	<u>\$ 120,700</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	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>

December 31, 2021

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 4,593,499	\$ 231,903	\$ 8,776	\$ -
Lease liabilities	1,324	8,096	20,031	116,897
Variable interest rate liabilities	40,388,313	37,837,915	-	-
	<u>\$ 44,983,136</u>	<u>\$ 38,077,914</u>	<u>\$ 28,807</u>	<u>\$ 116,897</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,420</u>	<u>\$ 20,031</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 42,643</u>	<u>\$ 33,002</u>

The amounts included for variable interest rate instruments for both non-derivative financial assets and liabilities would change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank loan facilities		
Amount used	\$ 43,706,000	\$ 78,042,286
Amount unused	<u>42,634,750</u>	<u>4,563,314</u>
	<u>\$ 86,340,750</u>	<u>\$ 82,605,600</u>
Secured bank loan facilities		
Amount used	\$ 13,000,000	\$ -
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 13,000,000</u>	<u>\$ -</u>

29. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed below.

a. The names of the related parties and their relationships with the Company

Related Party Name	Relationship
Catcher Technology (Suqian) Co., Ltd. ("Catcher Suqian")	Subsidiaries (100% of Indirect ownership)
Vito Technology (Suqian) Co., Ltd. ("Vito Suqian")	Subsidiaries (100% of Indirect ownership)
Arcadia Technology (Suqian) Co., Ltd. ("Arcadia Suqian")	Subsidiaries (100% of Indirect ownership)
Envio Technology (Suqian) Co., Ltd. ("Envio Suqian")	Subsidiaries (100% of Indirect ownership)
Aquila Technology (Suqian) Co., Ltd. ("Aquila Suqian")	Subsidiaries (75% of Indirect ownership)
Ke Yue Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Sheng Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi De Co., Ltd.	Subsidiaries (100% of Direct ownership)
Catcher Medtech Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yue-Kang Health Control Technology Inc.	Associates (45% of Direct ownership)
Next Level Ltd.	Subsidiaries (100% of Direct ownership)
Lyra International Co., Ltd. (Lyra)	Subsidiaries (100% of Indirect ownership)

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2022	2021
Revenue from sale of goods	Subsidiaries	<u>\$ 825</u>	<u>\$ 49,005</u>
Deduction of Costs	Subsidiaries	<u>\$ 550</u>	<u>\$ 411</u>

(Continued)

Line Item	Related Party Category	For the Year Ended December 31	
		2022	2021
Rental income	Subsidiaries	\$ 1,000	\$ -
	Associates	<u>965</u>	<u>2,238</u>
		<u>\$ 1,965</u>	<u>\$ 2,238</u>

(Concluded)

The prices of goods sold to related parties do not have similar transactions to which they can be compared. The credit terms are 90 days after current month's closing for related parties and it was not significantly different from those with third parties.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Next Level Ltd.	\$ 1,333,899	\$ 4,701,778
Lyra	-	544,356
Others	<u>54,063</u>	<u>95,929</u>
	<u>\$ 1,387,962</u>	<u>\$ 5,342,063</u>

The prices of goods purchased from related parties do not have similar transactions to which they can be compared. The payment terms are 30 to 120 days after current month's closing for related parties and it was not significantly different from those with third parties.

d. Office supplies

Related Party Category	For the Year Ended December 31	
	2022	2021
Subsidiaries	<u>\$ 3,013</u>	<u>\$ 5,274</u>

The payment term is 30 to 120 days after current month's closing to related parties.

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade receivables from related parties	Subsidiaries		
	Other	<u>\$ -</u>	<u>\$ 799</u>

(Continued)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Other receivables from related parties	Subsidiaries		
	Nanomag	\$ 3,479,910	\$ -
	Next Level Ltd.	-	118,627
	Catcher Sugian	-	1,768
	Other	551	2,140
	Associates	-	31
		<u>\$ 3,480,461</u>	<u>\$ 122,566</u>
			(Concluded)

The outstanding accounts receivables from related parties are unsecured. No impairment loss was recognized for receivables from related parties for the years ended December 31, 2022 and 2021.

f. Payables to related parties (Excluding loans from related parties)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade payables to related parties	Subsidiaries		
	Next Level Ltd.	\$ 1,128	\$ 133,189
	Others	<u>29,286</u>	<u>58,524</u>
		<u>\$ 30,414</u>	<u>\$ 191,713</u>
Other payables to related parties	Subsidiaries	<u>\$ 8,804</u>	<u>\$ 2,309</u>

The outstanding accounts payable to related parties are unsecured.

g. Acquisition of property, plant and equipment

Related Party Category	Purchase Price	
	For the Year Ended December 31	
	2022	2021
Subsidiaries	<u>\$ 8,848</u>	<u>\$ 20,905</u>

The purchase price is determined by the bargaining price. The payment term is 90 days after acceptance check.

h. Disposal of property, plant and equipment

The proceeds price is determined by the bargaining price. The accumulated unrealized gain on disposal for the years ended December 31, 2022 and 2021 was NT\$8,544 thousand and NT\$2,059 thousand, respectively and deducted from Investments accounted for using the equity method.

- i. Purchase of property, plant and equipment service

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Vito Suqian	\$ -	\$ 6,116

The credit terms are 90 days after current month's closing for related parties. The accumulated unrealized gain for the years ended December 31, 2022 and 2021 was NT\$187,495 thousand and NT\$332,434 thousand, respectively and deducted from Investments accounted for using the equity method.

- j. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 57,124	\$ 60,824
Post-employment benefits	<u>43,128</u>	<u>29,296</u>
	<u>\$ 100,252</u>	<u>\$ 90,120</u>

The remuneration of directors and key executives are determined by the remuneration committee with regard to the performance of individuals, the performance of the Company, and future risk.

30. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	December 31	
	2022	2021
Pledged deposits (classified as financial assets at amortized cost-current)	<u>\$ 14,687,274</u>	<u>\$ -</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as balance sheet date was as follows:

Unrecognized commitments are as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	<u>\$ 51,198</u>	<u>\$ 45,950</u>
Acquisition of inventories	<u>\$ 35,725</u>	<u>\$ 105,067</u>

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies other than the functional currencies of the group entities and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,068,471	30.66	\$ 63,419,313
RMB	4	4.383	17
<u>Non-monetary items</u>			
Investment accounted for using equity method			
USD	5,016,872	30.71	154,068,144
<u>Financial liabilities</u>			
Monetary items			
USD	13,258	30.76	407,801
RMB	11,482	4.433	50,898

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,422,657	27.63	\$ 66,938,002
RMB	61,535	4.319	265,769
<u>Non-monetary items</u>			
Investment accounted for using equity method			
USD	5,530,292	27.68	153,078,490
<u>Financial liabilities</u>			
Monetary items			
USD	33,236	27.72	921,327

RMB	6,824	4.369	29,813
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The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
Foreign Currency	Exchange Rate	2022	2021	
		Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.804 (USD:NTD)	\$ 6,498,463	28.009 (USD:NTD)	\$ (2,011,968)
RMB	4.4345 (RMB:NTD)	4,754	4.3417 (RMB:NTD)	4,493
JPY	0.2275 (JPY:NTD)	1,315	0.2554 (JPY:NTD)	2,196
EUR	31.36 (EUR:NTD)	-	33.16 (EUR:NTD)	(3)
		<u>\$ 6,504,532</u>		<u>\$ (2,005,282)</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (N/A)

b. Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, and repatriations of investment from the mainland China area (Table 8)

- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 5 and 6):
- a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) Property transactions - the amount of property 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 and the purposes
 - e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (N/A)

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Catcher Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	\$ 873,000	\$ -	\$ -	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 828,957,845	\$ 828,957,845
2	Vito Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	611,100	\$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845
4	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	644,300	\$ 614,200	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845
6	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	966,450	\$ 921,300	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	\$ 828,957,845

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations within one year.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries.

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

TABLE 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS / GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	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	\$ 82,895,785	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
3	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	82,895,785	511,338	<u>\$ 16,315</u>	<u>\$ 16,315</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
4	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	82,895,785	25,586	<u>\$ 25,134</u>	<u>\$ 25,134</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y

Note 1: The upper limit for each borrower of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2022.

Note 2: The upper limit of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2022.

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

TABLE 3

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., LTD.	<u>Listed Shares and Emerging Market Shares</u>							
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	\$ 189,736	6.95	\$ 189,736	
	<u>Unlisted Shares</u>							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
Ke Yue Co., Ltd.	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	57,330	3.57	57,330	
	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	9,751	0.23	9,751	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	270,000	28,620	0.56	28,620	
	<u>Limited Partnerships</u>							
	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	192,508	12.78	192,508	Note 3
Yi De Co., Ltd.	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	56,633	7.39	56,633	Note 3
	<u>Listed Shares and Emerging Market Shares</u>							
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	21,000	1,420	0.01	1,420	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	34,273	0.81	34,273	
Yi Sheng Co., Ltd.	Intai Technology Corp.	None	Financial assets at FVTOCI - current	489,000	51,834	1.01	51,834	
	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	4,780	0.11	4,780	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	122,000	12,932	0.25	12,932	
Nanomag International Co., Ltd.	<u>Limited Partnerships</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 41,861	23.51	USD 41,861	Note 3
	<u>Corporate Bonds</u>							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 989		USD 989	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	1,000,000	USD 962		USD 962	
	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 963		USD 963	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 967		USD 967	
	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,447		USD 1,447	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,569		USD 1,569	
	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,473		USD 1,473	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,023		USD 1,023	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 940		USD 940	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,056		USD 1,056	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	1,600,000	USD 1,561		USD 1,561	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,759		USD 1,759	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 952		USD 952	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,030		USD 1,030	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,901		USD 1,901	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,368		USD 1,368	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,752		USD 1,752	
	EQT CORP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 921		USD 921	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,030		USD 1,030	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,025		USD 1,025	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,186		USD 1,186	
	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	800,000	USD 807		USD 807	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,448		USD 1,448	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 988		USD 988	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	1,000,000	USD 966		USD 966	
	HCA INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,492		USD 1,492	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,032		USD 1,032	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,936		USD 1,936	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,424		USD 1,424	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 531		USD 531	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,455		USD 1,455	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,347		USD 1,347	
	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 992		USD 992	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,641		USD 1,641	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 689		USD 689	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	810,000	USD 784		USD 784	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 990		USD 990	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	1,000,000	USD 987		USD 987	
	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 1,476		USD 1,476	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,816		USD 1,816	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	1,370,000	USD 1,336		USD 1,336	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	750,000	USD 737		USD 737	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 979		USD 979	
	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 347		USD 347	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 974		USD 974	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	1,000,000	USD 934		USD 934	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 960		USD 960	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 982		USD 982	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,477		USD 1,477	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	500,000	-		-	
	<u>Bond</u>							
	US TREASURY	None	Financial assets at FVTOCI - non-current	10,000,000	USD 10,201		USD 10,201	
	<u>Simple Agreement for Future Equity (SAFE)</u>							
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	-	-		-	
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 8,596	2.54	USD 8,596	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 17,593	25.32	USD 17,593	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 2,297	3.80	USD 2,297	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,223	5.00	USD 1,223	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 3,727	0.30	USD 3,727	Note 3
	<u>Private Equity Securities</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	2,000,000	USD 726	29.49	USD 726	Note 3
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	14,246	-	4.34	-	

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 fund share ratio.

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Ke Yue Co., Ltd.	Beneficiaries Certificates													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	35,598,056.18	\$ 600,621	-	\$ -	35,598,056.18	\$ 601,066	\$ 600,040	\$ 1,026	-	\$ -

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	\$ (225,615)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 89,754	3	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,436,314)	67	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,865,019	82	
		Same ultimate parent company	Purchase	185,321	45	Net 30 to 90 days after month end close	Equivalent	Equivalent	(126,601)	19	
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(257,205)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	144,857	4	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,399,031)	59	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,540,649	73	
		Same ultimate parent company	Purchase	167,319	29	Net 30 to 90 days after month end close	Equivalent	Equivalent	(110,159)	16	
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(1,328,742)	100	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	380,587	94	
The Company	Next Level Ltd.	Subsidiaries	Purchase	1,333,899	42	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	(1,128)	-	

TABLE 6**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 603,571	- (Note)	\$ -	Not applicable	\$ 211,225	\$ -
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,865,019	1.62	-	Not applicable	761,405	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	144,857	1.67	-	Not applicable	47,372	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,540,649	1.35	-	Not applicable	672,409	-
Envio Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	126,601	1.68	-	Not applicable	15,645	-
	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	110,159	1.16	-	Not applicable	31,789	-
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	380,587	1.88	-	Not applicable	181,331	-
The Company	Nanomag International Co., Ltd.	Subsidiaries	3,479,910	- (Note)	-	Not applicable	-	-

Note : The ending balance of income receivables includes processing income and surplus repatriation is not applicable to the calculation of the turnover rate.

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
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	\$ 1,934,100	\$ 929,850	\$ 929,850	
	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	152,134,044	4,389,067	4,527,082	
	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	2,769	(11,736)	(5,281)	
	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	2,910,748	(55,099)	(55,099)	
	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	1,063,672	49,575	49,575	
	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	1,082,883	51,487	51,487	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	Manufacturing, selling and developing medical equipments	200,000	200,000	2,000,000	100	195,444	(4,586)	(4,565)	
	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United State	Investing activities	(USD 0)	(USD 0)	-	-	-	-	-	
Ke Yue Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	519,621	512,063	7,050,000	9.71	490,566	331,398		
			Biotechnology	599,636	414,923	5,410,000	7.81	623,806	495,715		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	240,757	85,961	3,254,000	4.48	226,426	331,398		
			Biotechnology	279,091	224,984	2,589,000	3.74	298,528	495,715		
Yi De Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	295,411	252,336	4,047,000	5.57	281,605	331,398		
			Biotechnology	243,370	213,396	2,233,000	3.22	257,479	495,715		
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	-	279 (USD 10,000)	-	100	-	(96)		
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	155,296	13,998		
	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	16,515,586	(1,210,464)		
	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	33,128	(23,763)		
	Uranus International Co., Ltd.	Room 1907, 19F, 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	18,969,796	757,156		
	Norma International Co., Ltd.	Room 1907, 19F, 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	13,681,596	4,897,844		
	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	390,244	35,390		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	1,539,919 (SGD 55,165,797)	55,165,797	100	1,530,575	(257,429)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	278,747 (USD 10,005,259)	278,747 (USD 10,005,259)	-	100	-	10,628		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	1 (USD 30)	9,251,008 (USD 332,053,412)	30	100	20,537	19,303		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,004 (USD 1,400,000)	39,004 (USD 1,400,000)	-	100	-	(26,650)		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United State	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-		

Note 1: Share of profit (loss) is only reflected for the subsidiaries invested in directly and the investments accounted for by using the equity method.

Note 2: Information on investments in mainland China is provided in Table 8.

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 1,023,871 (USD 33,340,000)	\$ -	\$ -	\$ 1,023,871 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,238,841 (USD 40,340,000)	-	-	1,238,841 (USD 40,340,000)	-	-	-	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	16,612,381
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	4,299,822
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	-	-	-	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,142,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,917,419 (USD 94,999,000)	-	-	2,917,419 (USD 94,999,000)	256,421	100	(Note 2.(A)) 328,767	9,722,510	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,868,279 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	393,594	100	(Note 2.(A)) 428,556	9,413,254	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,019,799 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	4,939,170	100	4,765,856 (Note 2.(A))	10,284,661	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	3,013,903 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	131,891	100	131,891 (Note 2.(A))	3,403,220	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	42,994 (USD 1,400,000)	2. Cepheus International Co., Ltd.	34,395 (USD 1,120,000)	-	-	34,395 (USD 1,120,000)	675	75	675 (Note 2.(A))	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	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.	678,136 (USD 22,081,923)	-	-	678,136 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note 13)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 13 and 14)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 5,892,663 (USD 191,880,923)	\$ 44,069,156 (USD 1,055,764,718) (RMB 2,641,316,560)	\$ 99,481,567

Note 1: The investing methods are categorized as follows:
1: Direct investment in companies in mainland China
2: Investment in companies in mainland China, which is made by a company incorporated via a third region
3: Others

Note 2: In the column:
1: This means the investee is under initial preparation and there were no gains or losses on investment.
2: The recognition of gains or losses on investment is based on:
(1) The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China
(2) The financial statements audited by the certified public accountant of the parent company in Taiwan
(3) Others

Note 3: The upper limit on investment in mainland China is calculated as \$165,802,612×60%=\$99,481,567

Note 4: The paid-in capital of US\$6,670,000, which is self-funding of Nanomag International Co., Ltd., is invested in Topo Technology (Suzhou) Co., Ltd. through Stella International Co., Ltd., and the paid-in capital of US\$33,300,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$33,300,000 is returned by capital reduction in the fourth quarter of 2014.

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

Note 6: The paid-in capital of US\$106,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., which were then invested in Meecca Technology (Suzhou Industrial Park) Co., Ltd., and the paid-in capital of US\$16,670,000 is earnings distributed in the third quarter of 2011. The amount of US\$16,670,000 was returned by 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 by capital reduction in the second quarter of 2017, and the amount of US\$32,000,000 was returned by capital reduction in the third quarter of 2017. Lyra International Co., Ltd. sold all of its equity in November 2021, but the investment amount has not yet been remitted to Taiwan and therefore has not been deducted from the investment amount approved by Investment Commission, MOEA.

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

Note 8: The paid-in capital of US\$16,670,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$40,000,000 was returned by capital reduction in the second quarter of 2014, and due to dissolution, US\$10,010,000 of capital were returned in August 2016; the remaining amount of capital has not been wired back to Taiwan.

Note 9: The paid-in capital of RMB227,510,746 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. On the other hand, US\$65,979,240 and RMB602,268,326 are earnings distributed from investees in mainland China to Nanomag International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd.

Note 10: The paid-in capital of US\$99,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., which were 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 is earning distributed from Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Vito Technology (Suqian) Co., Ltd. through Uranus International Co., Ltd.

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

Note 12: The paid-in capital of US\$17,610,861 and RMB529,989,796 are earnings distributed from Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., which were then invested in Meecca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd. The paid-in capital of US\$20,000,000 and RMB284,660,400 are earnings and liquidation income distributed from Catcher Technology (Suzhou) Co., Ltd. and earnings distributed from Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd. The paid-in capital of USD18,000,000 is earning distributed from Lyra International Co., Ltd. to Topo Technology (Taizhou) Co., Ltd., which were then invested in Meecca Technology (Taizhou) Co., Ltd. Lyra International Co., Ltd. sold all of its equity in December 2020, but the investment amount has not yet been remitted to Taiwan and therefore has not been deducted from the investment amount approved by Investment Commission, MOEA.

Note 13: The exchange rate on December 31, 2022 was US\$1:NT\$30.71.
The exchange rate on December 31, 2022 was RMB1:NT\$4.4094

Note 14: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012, and the remaining amount of capital has not been wired back to Taiwan.

Note 15: Sagitta International Co., Ltd. sold all of its shares of Chaohu Yunhai Magnesium Co., Ltd. in June 2016, and the remaining amount of capital has not been wired back to Taiwan.

Note 16: The paid-in capital of US\$71,010,000 and RMB\$ 188,956,820 are the proceeds from the liquidated shares in Catcher Technology (Suzhou) Co., Ltd. The amounts from the capital reduction in Topo Technology (Suzhou) Co., Ltd. and in Meecca Technology (Suzhou Industrial Park) Co., Ltd. are invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

TABLE 9

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Unfinished Construction and equipment Pending acceptance	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 2,179,324	\$ 3,043,754	\$ 7,893,912	\$ 37,699	\$ 57,438	\$ 840,809	\$ 60,958	\$ 14,113,894
Additions	398,224	60,738	136,811	675	2,477	55,053	-	653,978
Disposals	-	-	(124,845)	(879)	(2,286)	(32,367)	-	(160,377)
Reclassifications	-	60,957	57,399	-	-	330	(60,958)	57,728
Balance at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 3,165,449</u>	<u>\$ 7,963,277</u>	<u>\$ 37,495</u>	<u>\$ 57,629</u>	<u>\$ 863,825</u>	<u>\$ -</u>	<u>\$ 14,665,223</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 568,655	\$ 5,706,953	\$ 27,144	\$ 40,496	\$ 623,337	\$ -	\$ 6,966,585
Depreciation expense	-	79,621	692,765	4,749	6,583	103,343	-	887,061
Disposals	-	-	(123,507)	(765)	(2,287)	(28,324)	-	(154,883)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 648,276</u>	<u>\$ 6,276,211</u>	<u>\$ 31,128</u>	<u>\$ 44,792</u>	<u>\$ 698,356</u>	<u>\$ -</u>	<u>\$ 7,698,763</u>
Carrying amount at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 2,517,173</u>	<u>\$ 1,687,066</u>	<u>\$ 6,367</u>	<u>\$ 12,837</u>	<u>\$ 165,469</u>	<u>\$ -</u>	<u>\$ 6,966,460</u>
<u>Cost</u>								
Balance at January 1, 2022	\$ 2,577,548	\$ 3,165,449	\$ 7,963,277	\$ 37,495	\$ 57,629	\$ 863,825	\$ -	\$ 14,665,223
Additions	-	4,189	49,546	-	12,724	62,360	-	128,819
Disposals	-	-	(232,659)	(481)	(1,401)	(13,457)	-	(247,998)
Reclassifications	(712,166)	(25,619)	2,243	-	-	1,318	-	(734,224)
Balance at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 3,144,019</u>	<u>\$ 7,782,407</u>	<u>\$ 37,014</u>	<u>\$ 68,952</u>	<u>\$ 914,046</u>	<u>\$ -</u>	<u>\$ 13,811,820</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 648,276	\$ 6,276,211	\$ 31,128	\$ 44,792	\$ 698,356	\$ -	\$ 7,698,763
Depreciation expense	-	80,997	607,379	2,604	6,628	90,719	-	788,327
Disposals	-	-	(224,851)	(281)	(1,401)	(13,197)	-	(239,730)
Impairment loss	-	-	(7,497)	-	-	-	-	(7,497)
Reclassifications	-	(691)	-	-	-	-	-	(691)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 728,582</u>	<u>\$ 6,651,242</u>	<u>\$ 33,451</u>	<u>\$ 50,019</u>	<u>\$ 775,878</u>	<u>\$ -</u>	<u>\$ 8,239,172</u>
Carrying amount at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 2,415,437</u>	<u>\$ 1,131,165</u>	<u>\$ 3,563</u>	<u>\$ 18,933</u>	<u>\$ 138,168</u>	<u>\$ -</u>	<u>\$ 5,572,648</u>

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STATEMENT 1**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Maturity Date	Interest Rate (%)	Amount
Cash on hand			\$ 408
Deposits			
Demand deposits			614,640
Foreign currency deposits (Note 1)			3,746,667
Cash Equivalents			
Time deposits (Note 2)	2023.01	4.15-4.57	<u>5,120,220</u>
			<u>\$ 9,481,935</u>

Note 1: Including US\$ 122,199,937.36, RMB 3,840.66

Note 2: Including US\$ 167,000,000
(US \$1=NT \$ 30.66, RMB 1=NT \$ 4.383)

STATEMENT 2**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF FINANCIAL ASSET AT AMORTIZED COST - CURRENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

Item	Rate (%)	Maturity Date	Amount
Current			
Time deposits with original maturity of more than 3 months (Note 1)	3.57-4.15	2023.01.30-2023.03.16	\$ 8,545,862
Restricted bank deposit (Note 2)	-	-	6,838,314
Restricted deposit (Note 3)	4.10-4.14	2023.01.05	<u>7,848,960</u>
			<u>\$ 23,233,136</u>
Non-current			
Restricted bank deposit (Note 4)			\$ 12,838
Restricted deposit (Note 5)	-	-	25,367,338
Time deposits with original maturity of more than 1 year (Note 6)	3.65-5.11	2023.01.13-2023.04.24	282,072
Refundable deposits	-	-	<u>1,694</u>
			<u>\$ 25,663,942</u>

Note 1: Including US\$ 278,730,000

Note 2: Including US\$ 223,037,000

Note 3: Including US\$ 256,000,000

Note 4: Including US\$ 418,719.54

Note 5: Including US\$ 827,375,685.76

Note 6: Including US\$ 9,200,000
(US \$1=NT \$ 30.66)

STATEMENT 3**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Customer Name	Amount
Customer A	\$ 1,224,864
Customer B	260,586
Customer C	125,943
Customer D	99,461
Others (Note 2)	<u>206,460</u>
	1,917,314
Less: Allowance for impairment loss	<u>(8,438)</u>
	<u>\$ 1,908,876</u>

Note 1: The aging of all customers are not past due over 1 year.

Note 2: The amount of individual customer included in others does not exceed 5% of the account balance.

STATEMENT 4**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Merchandise	\$ 4,980	\$ 40,389
Finished goods	717,551	924,214
Work-in-process and semi-finished goods	387,983	584,510
Raw materials	32,950	32,983
Supplies	<u>49,020</u>	<u>82,617</u>
	<u>\$ 1,192,484</u>	<u>\$ 1,664,713</u>

Note 1: Market price as net realizable value

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI – NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2022		Additions		Unrealized Gain (loss) on Financial Assets at FVTOCI	Balance, December 31, 2022		Fair Value (Note)	Collateral
	Shares	Amount	Shares/Units	Amount		Shares	Amount		
Unlisted shares									
Alpha Information Systems, Inc.	1,500,000	\$ -	-	\$ -	\$ -	1,500,000	\$ -	\$ -	None
CDIB Capital Innovation Accelerator Co., Ltd.	3,000,000	36,240	-	-	21,090	3,000,000	57,330	57,330	None
		<u>\$ 36,240</u>		<u>\$ -</u>	<u>\$ 21,090</u>		<u>\$ 57,330</u>	<u>\$ 57,330</u>	

Note: Fair value is based on the investee company’s most recent net asset value.

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2022		Additions (Reductions)		Note	Cash dividends	Gain (loss) on Investments	Cumulative Translation Adjustment	Balance, December 31, 2022				
	Shares	Amount	Shares/Units	Amount					Shares	Proportion of Ownership (%)	Amount	Fair Value	Collateral
Investment accounted for using the equity method													
Nanomag International Co., Ltd.	30	\$152,280,408	-	\$ (40,295)	Note 1	\$ (19,311,000)	\$ 4,527,082	\$ 14,677,849	30	100	\$152,134,044	\$152,320,282	None
Gigamag Co., Ltd.	14,377,642	827,183	-	-		-	929,850	177,067	14,377,642	100	1,934,100	1,934,100	None
Yue-Kang Health Control Technology Inc.	7,200,000	8,050	(5,760,000)	-		-	(5,281)	-	1,440,000	45	2,769	2,769	None
Ke Yue Co., Ltd.	198,390,000	2,976,267	-	(11,720)	Note 2	-	(55,099)	1,300	198,390,000	100	2,910,748	2,910,748	None
Yi Sheng Co., Ltd.	73,270,000	1,018,111	-	(4,636)	Note 3	-	49,575	622	73,270,000	100	1,063,672	1,063,672	None
Yi De Co., Ltd.	73,270,000	1,021,328	-	9,531	Note 4	-	51,487	537	73,270,000	100	1,082,883	1,082,883	None
Catcher Medtech Co., Ltd.	2,000,000	<u>200,009</u>	-	<u>-</u>		<u>-</u>	<u>(4,565)</u>	<u>-</u>	2,000,000	100	<u>195,444</u>	<u>195,423</u>	None
		<u>\$158,331,356</u>		<u>\$ (47,120)</u>		<u>\$ (19,311,000)</u>	<u>\$ 5,493,049</u>	<u>\$ 14,857,375</u>			<u>\$159,323,660</u>	<u>\$159,509,877</u>	

Note 1: Including the recognized subsidiaries’ salaries payable of \$92,425 thousand, adjustment of unrealized profit of \$17,266 thousand and realized profit of \$10,781 thousand of subsidiaries and the recognized unrealized loss of \$126,235 thousand on subsidiaries’ investments in equity instruments at FVTOCI.

Note 2: Including the recognized unrealized loss of \$11,533 thousand on subsidiaries’ investments in equity instruments at FVTOCI and the decrease of \$187 thousand of recognized changes in equities of associates.

Note 3: Including the recognized unrealized loss of \$4,546 thousand on subsidiaries’ investments in equity instruments at FVTOCI and the decrease of \$90 thousand of recognized changes in equities of associates.

Note 4: Including the recognized unrealized loss of \$9,609 thousand on subsidiaries’ investments in equity instruments at FVTOCI and the decrease of \$78 thousand of recognized changes in equities of associates.

CATCHER TECHNOLOGY CO., LTD.**STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 180,350	\$ 25,095	\$ 205,445
Additions	9,182	3,507	12,689
Deductions	<u>-</u>	<u>(3,720)</u>	<u>(3,720)</u>
Balance at December 31, 2022	<u>\$ 189,532</u>	<u>\$ 24,882</u>	<u>\$ 214,414</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 16,101	\$ 16,330	\$ 32,431
Depreciation	<u>6,042</u>	<u>6,214</u>	<u>12,256</u>
Balance at December 31, 2022	<u>\$ 22,143</u>	<u>\$ 22,544</u>	<u>\$ 44,687</u>
Carrying amount at December 31, 2022	<u>\$ 167,389</u>	<u>\$ 2,338</u>	<u>\$ 169,727</u>

STATEMENT 8**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

	Maturity Date	Interest rate (%)	Balance	Credit Line	Collateral
Borrowings of unsecured loans					
Bank credit loans	2023.01-2023.02	1.30-1.98	\$ 43,696,000	\$ 43,696,000	None
Secured bank loans	2023.01-2023.03	1.30-1.56	<u>13,000,000</u>	13,000,000	Secured
			<u>\$ 56,696,000</u>		

STATEMENT 9**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Vendor A	\$ 71,872
Vendor B	27,211
Vendor C	26,216
Vendor D	21,898
Vendor E	17,594
Vendor F	16,963
Others (Note)	<u>122,896</u>
	<u>\$ 304,650</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

STATEMENT 10**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Summary	Lease Period	Discount Rate (%)	Balance, End of Year	Note
Buildings	Taipei Office	2022.10-2023.06	0.71	\$ 2,339	-
Land	Land at Renai factory	2000.04-2050.04	0.71	<u>129,881</u>	-
				132,220	
Less: mature in one-year				(5,923)	
				<u>\$ 126,297</u>	

CATCHER TECHNOLOGY CO., LTD.**STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Quantities (Thousands)	Amount
Sale of Goods		
Manufactured products		
Metal casing	7,079	\$ 8,402,267
Less : Sales returns	80	(112,619)
Sales discounts		<u>(3,477)</u>
Net operating revenue		8,286,171
Rental Income		<u>20,167</u>
		<u>\$ 8,306,338</u>

STATEMENT 12**CATCHER TECHNOLOGY CO., LTD.**
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise, beginning of year	\$ 11,033
Add: Merchandise purchased	4,365
Others	12,704
Less: Merchandise, end of year	4,980
Cost of commodity transaction	<u>23,122</u>
Raw materials, beginning of year	65,826
Add: Raw material purchased	1,036,051
Less: Raw materials, end of year	32,950
Others	<u>1,117</u>
Raw material consumption	1,067,810
Direct labor	1,779,251
Manufacturing expenses	<u>3,249,330</u>
Manufacturing cost	6,096,391
Add: Work-in-process and semi-finished goods, beginning of year	386,413
Work-in-process and semi-finished goods purchased	37,392
Others	1,866
Less: Work-in-process and semi-finished goods, end of year	387,983
Others	<u>83,998</u>
Manufacturing cost	6,050,081
Add: Finished goods, beginning of year	689,073
Finished goods purchased	1,333,899
Others	10,814
Less: Finished goods, end of year	717,551
Others	<u>6,043</u>
Finished goods costs of sales	<u>7,360,273</u>
Subtotal	7,383,395
Loss from physical count	(10,503)
Revenue from sale of scraps	(660,926)
Cost of others	<u>30,197</u>
The cost of inventories	6,742,163
Gain on disposals of property, plant and equipment	(23,886)
Rental Cost	<u>9,001</u>
	<u>\$ 6,727,278</u>

CATCHER TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	\$ 33,520	\$ 154,315	\$ 219,857	\$ 407,692
Depreciation	3,742	26,824	16,224	46,790
Export expense	111,154	-	-	111,154
Donation	-	23,627	-	23,627
Professional service fee	-	16,992	554	17,546
Test fee	-	-	116,047	116,047
Others	<u>38,972</u>	<u>119,054</u>	<u>70,166</u>	<u>228,192</u>
Total	<u>\$ 187,388</u>	<u>\$ 340,812</u>	<u>\$ 422,848</u>	<u>\$ 951,048</u>

STATEMENT 14**CATCHER TECHNOLOGY CO., LTD.**
**STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In Thousands of New Taiwan Dollars)**

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	\$ 2,214,267	\$ 407,692	\$ 2,621,959	\$ 2,407,420	\$ 383,213	\$ 2,790,633
Labor and health insurance	222,344	33,182	255,526	243,654	32,293	275,947
Post-employment benefits	79,343	16,952	96,295	84,469	15,551	100,020
Remuneration of directors	-	19,228	19,228	-	17,618	17,618
Others	139,633	12,436	152,069	161,714	18,440	180,154
	<u>\$ 2,655,587</u>	<u>\$ 489,490</u>	<u>\$ 3,145,077</u>	<u>\$ 2,897,257</u>	<u>\$ 467,115</u>	<u>\$ 3,364,372</u>
Depreciation	\$ 759,731	\$ 46,790	\$ 806,521	\$ 858,195	\$ 45,849	\$ 904,044
Amortization	5,825	17,027	22,852	17,263	14,730	31,993

Note1: For the years ended December 31, 2022 and 2021, there were 4,233 employees and 4,791 employees in the Company, respectively. In addition, the Company had 4 non-employee directors for the years then ended.

Note 2: Average labor cost for the years ended December 31, 2022 and 2021 were NT\$739 thousand and NT\$699 thousand, respectively.

Note 3: Average salary and bonuses for the years ended December 31, 2022 and 2021 were NT\$620 thousand and NT\$583 thousand, respectively. The average salary and bonuses Increase by 6.35% year-over-year.

Note 4: The Company has established the audit committee, and the remuneration of independent directors was included and disclosed in “Remuneration of directors”.

Note 5: The remuneration policy was as follows:

1. Remuneration of directors is determined based on several indicators, including industry standard, operational performance, devoted time, and contribution to the Company. The total amounts paid should comply with the Company’s Articles of Incorporation.
2. Compensation of managers is determined based on several indicators, including devoted time, responsibility, and performance. The total amounts paid should comply with the Company’s Articles of Incorporation.
3. Employee benefits include basic monthly salary, bonus and compensation of employees. Basic monthly salary is determined based on comparison with the market condition and the Company’s policy. Bonus and compensation of employees are determined based on the employees’ contribution to the Company or the performance. Compensation of employee is determined based on the Company’s Article of Incorporation and shall be approved by board of directors.