



CATCHER TECHNOLOGY CO., LTD
2021 Annual Report

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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,

The coronavirus mutants in 2021 have greatly impacted the global supply chain and transportation, causing logistics constraints and a short supply of parts and components. The emergence of work-from-home and online learnings accelerated the digital transformation of work and life, boosting the demand for notebook and tablet computers. With the advent of a post-pandemic era when vaccine R&D accelerated, vaccination rate increased, and countries gradually lifted the lockdown, the global economy officially kicked start a recovery cycle. The International Monetary Fund (IMF) forecasts the global economy and the GDP of the United States to grow 5.9% and 5.6%, respectively, for 2021, and 4.4% and 4.0%, respectively, for 2022. The Directorate General of Budget, Accounting and Statistics (DGBAS) in Taiwan has also constantly revised Taiwan's economic growth rates: 6.28% for 2021, an eleven-year high, and 4% or above for 2022. Ever since the outbreak of the COVID-19 pandemic at the end of 2019, business and enterprise models have substantially changed, the industry supply chain has restructured, and major political and economic bodies have faced challenges and opportunities to varying extents. Now economic activities have restarted, demand is gradually rising, and global trade activities are entering a new expansion phase. Albeit, the pandemic variable still exists, which is worth our attention.

2021 was a fairly challenging year for Catcher. Market uncertainties brought by the COVID-19 pandemic, along with changes in consumption patterns, affected the seasonal cycle of each industry and so increased industry volatility; the lockdown to a varying degree in different regions and the restrictions on the supply chain also made production management increasingly difficult. In response to the environmental changes, Catcher has continued to diversify its technology R&D and production while launching advanced applications that fit the new trends. Catcher has also developed total and diverse solutions for material applications, while mitigating the pandemic impact through flexible management to achieve operational performance and maintain stability. In 2021, the Group's consolidated sales revenue reached NT\$41.1 billion, lower than NT\$82.5 billion in 2020. The substantial year-on-year discrepancy was due to the high base in 2020 when two subsidiaries in Taizhou, China, were disposed. The divestment enabled Catcher to leverage its enormous production capacity and resources, with the proceeds to be reinvested in forward-looking technologies and markets. This will provide momentum for Catcher's long-term development and sustainable management.

As a global leading brand that provides the most comprehensive mechanism solutions, Catcher has a complete production matrix, the strongest customer base, and comprehensive product lines.

Catcher is dedicated to resource consolidation and strategic transformation. It branched out into the automotive parts and components market in 2020; in 2021, its endeavor in such area yielded a favorable result: collaboration with a global new energy vehicle brand as an original design manufacturer (ODM) on more models while negotiating with new customers on new product development. Being optimistic about the future development of the smart healthcare industry as well as rising demand for minimally invasive surgery medical devices, Catcher has made several strategic financial investments to participate in the growth of foreign medical startups; it also kept seeking suitable investment targets and potential partners both domestically and overseas to expand its portfolio in the healthcare industry with multiple approaches.

Despite industry and market uncertainties, Catcher is still able to improve its fundamentals, widen differentiations while enhancing its leading industry position by leveraging its multiple advantages: diversified material applications, comprehensive technologies, innovative design, outstanding manufacturing processes, complete vertical integration, leading automation capability, optimal cost structure and economies of scale. Looking into 2022, aside from developing existing businesses and pursuing internal organic growth, Catcher will actively seek external investment opportunities and partners that fit its long-term development objectives, so as to accelerate its diversified development in new business areas including automotive parts and components, medical tech and 5G applications.

Industry Development Trend and Outlook

The development of the pandemic has accelerated the digital transformation of industry and life. As the world edges towards a 5G era, mobile devices that serve as the main vehicle become even more important. In response to the development of 5G applications, major brands have strong demand for high-speed data transmission (HDT) and high-performance computing (HPC), adding complexity to the design of the heat dissipation function and enclosure casing/mechanism parts of mobile devices. Having observed various electronics applications, we found that manufacturers mainly engaging in mid- and high-end production normally gain a larger profit share; under such trend, an enclosure case made of high-end metals or composite materials (i.e., composites primarily made of high-end materials, supplemented by other materials) has become a required specification for mid- and high-end products. To meet customers' requirements for innovation, heat dissipation and 5G specifications, enclosure case/mechanism manufacturers have to constantly develop new surface treatment technologies. The design of enclosure cases is characteristic of high customization and high complexity, thus bringing both challenges and opportunities for mechanism manufacturers.

As the world increasingly values issues related to climate change and zero carbon emissions, sales of alternative fuel (new energy) vehicles boomed, thanks to government subsidies, active development by car manufacturers, and the availability of technical solutions for the critical technology of charging equipment and battery performance. The International Energy Agency (IEA) forecasts the number of global electric vehicles (EVs) to reach 145 million by 2030, with the underlying penetration rate to increase to 30% from 5% in a decade. In other words, one out of three cars will be electric in a decade. Recently the automotive market has experienced imbalanced supply and demand due to the pandemic and chip shortages. Having said that, alternative fuel vehicles are expected to drive the growth of the automotive market in mid to long run, with substantial changes taking place in terms of market structure, operational strategies and competition. The ecology of the automotive industry used to be relatively close; however, the complexity of innovative technologies for alternative fuel vehicles and car electricization is expected to raise car manufacturers' demand for a pattern of cooperation that separates contract R&D from parts manufacturing, leaving a promising outlook for related industries and supply chains.

Among the various materials and technologies available for producing mechanisms, metals provide the best structure, strength and complete protection. It is the metallic mechanism for which there is a complete supply chain, an available mass production capacity, and a cost-effective advantage among high-end products. Aside from existing technologies such as die casting, stamping, and forging, metallic products made using the seamless 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 a kind of green material, in that they can be fully recycled and reused, both during the manufacturing process and post the product lifetime, thus reducing the depletion of natural resources. Adding to the massive product quantities and corresponding demand for production capacity, mechanisms can be developed in more diversified ways in terms of materials, technologies and design.

The Industrial Technology Research Institute (ITRI) estimates the global medical supplies market to reach USD475.3 billion by 2022, with the compound annual growth rate for 2019-2022 to reach 5.6%. After the outbreak of the COVID-19 pandemic, consumable minimally invasive devices are increasingly prevalent. The manufacturing of minimally invasive devices is characterized by high integration - in terms of materials used, it covers polymer plastics, chemicals and metal hardware; in terms of processes, it involves precision manufacturing, optoelectronic, electromechanical, mechanical, electronics and semiconductors industries; in terms of final inspection, it needs to be verified against safety regulations, tested, and disinfected – making it an integrated industry that consolidates materials, precision manufacturing and medical device manufacturers. The fast-growing industry and the highly integrated characteristic of minimally

invasive devices provide a potential market for Taiwanese manufacturers who have been playing a critical role in the supply chain of the global manufacturing industry. Taiwan's industry has evolved from conventional plastics and chemicals manufacturing in the early days to nowadays precision manufacturing as well as electronics and semiconductor-related segments. With resources vertically integrated, new technologies introduced, and the core capabilities of existing cross-industry alliances consolidated, Taiwan should be well positioned in developing high-end minimally invasive medical devices.

Financial Performance

For 2021, the Group's consolidated operating revenue arrived at NT\$41.1 billion, consolidated gross margin at 33%, consolidated net profit after tax at NT\$8.575 billion, and basic earnings per share at NT\$11.31.

Operational Results (Group)

Unit: In Thousands of New Taiwan Dollars

Item	2021		2020	
	Amount	Percentage	Amount	Percentage
Operating revenue	41,094,979	100%	82,506,032	100%
Gross profit	13,569,127	33%	21,919,251	27%
Operating profit	8,760,121	21%	14,935,168	18%
Profit before tax	12,070,652	29%	40,847,189	50%
Net profit after tax	8,575,044	21%	21,129,820	26%

Profitability (Group)

Item		2021	2020
Return on assets (ROA)		4%	9%
Return on equity (ROE)		6%	14%
Ratio to paid-in capital	Operating profit	115%	196%
	Profit before tax	158%	536%
Net profit margin		21%	26%
Earnings per share (NT\$, basic)		11.31	27.65

Research and Development

To sustain its industry significance, Catcher constantly expands its applications in different materials, composites, as well as high-strength, high-resilience, low electromagnetic shielding and high frequency penetrable materials, while improving its technological levels, aiming to achieve smart production. Having deeply engaged in the fields of basic material science, surface physics and chemical processing, Catcher leverages its core capabilities, applying different materials to different forming processes coupled with diversified secondary processing technologies and surface treatment technologies, to develop a wide range of products and technologies that are highly precise, high value-added, and highly available for mass production. In addition, through attending exhibitions and data collection, Catcher has since 2018 continued to accumulate its manufacturing technologies in automotive and medical tech areas, while cooperating with clients to design and develop related new products. The Company has also participated in industry-academic alliances hosted by local colleges to develop automotive and medical tech related technologies, launch new projects, and establish medical supply technology platform in the hope of localizing development and production to create value for products made in Taiwan.

Regardless of the existing information and communication technology (ICT) products or orders from new areas such as automotive and medical tech products, Catcher's R&D team engages itself as early as in the design stage, and has been able to precisely catch customers' expectations for the products in the course of R&D and manufacturing. On the one hand, the Company actively develops special process and technology and integrates them perfectly with existing ones; on the other hand, it mixes different materials and processes with the unibody technology to make products with specially-structured surface and good texture to satisfy customers' diversified needs.

As a world-class leader of light metal technology, Catcher has continued to head toward high-end, distinctiveness and differentiation. Its R&D covers numerous areas including 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 over molding technology, etching/multi-color process with anodizing process technology, high-precision large metallic enclosure case extrusion technology; and carbon fiber composite sheets. The Company also leverages existing technologies to actively develop other niche products, so as to diversify its product portfolio. The development of 5G technology has come under the global spotlight. When mobile devices are heading towards a high frequency and high-performance computing design, the heat dissipation problem that comes along will bring challenges, and opportunities at the same time, to mechanism manufacturers. By leveraging its existing customer base and devoting more resources, Catcher will actively expand product applications in the 5G area.

Business Strategies

For years Catcher has invested in production automation on a large scale in order to reduce manpower requirement, improve productivity and quality, and increase production stability while reserving production capacity for future expansion. Although its automation has been well ahead of the industry, Catcher still considers automation a focus for future development. The Company also actively optimizes its talent pools, constantly expands the application market for its core products and technologies, and diversifies clientele in order to establish a solid ground for its long-term development.

On top of achieving its business objectives, Catcher has also fulfilled its corporate social responsibilities in many aspects. Aside from forming a dedicated team, enhancing communications with stakeholders, and publishing a corporate social responsibility (CSR) report, the Company also actively engages itself in developing green energy, launching greenhouse gas (GHG) inventory, and setting up goals for energy conservation and carbon reduction. In terms of public wellbeing, aside from participating in charity events, Catcher also sponsors sports events and as so, is awarded a Sports Enterprise Certification medal. In terms of corporate governance, Catcher established the post of Chief Corporate Governance Officer in 2021 in order to perfect the corporate governance framework and implement related works.

Important Manufacturing and Sales Policies

Looking into the future development of the metallic mechanism market, notebook computers and tablet computers will maintain a thin and light feature; the connection speed increased along with 5G applications will also facilitate the development of wearable devices. To sum up, lightweight and thinness will still dictate the design of consumer electronics. Years of experience in developing composite materials have made Catcher a manufacturer that can provide the most diversified materials and technologies. By leveraging these advantages, Catcher will create individually distinctive value for each brand customer.

By leveraging its core advantages in material science, precision manufacturing and surface treatment as well as its competencies in mass production, best execution and highly flexible customization, Catcher has been able to showcase effective know-how and deliver products and results in a manner that satisfies customers, regardless of the products being in the form of sheet metal or metal frame, made of either aluminum, magnesium alloy or steel.

Years of large-scale investment in automation has helped Catcher to accumulate abundant experiences in production management. The Company's automation competence outpaces most peers. Looking forward, automation will remain the processing focus in order to raise stability,

enhance productivity and quality specifications, and replenish the capacity for scale production. Meanwhile, Catcher has been optimizing its talent pools, reserving R&D force and constantly expanding the application markets for its core products and technologies to fuel the growth momentum in the future.

Looking into 2022, Catcher will constantly optimize the capacity allocation between the Taiwan factory site and the Suqian factory site. Among major domestic mechanism suppliers, Catcher is the only one that still maintains considerable production capacity in Taiwan. The Company thus has enormous flexibility that can not only meet various demands for products and production capacity from different customers, but also mitigate the operational risks associated with concentration in a single factory site, which is prone to changes in market and business environments.

Impact from Changes in External Competition, Laws and Regulations, and the Macro Business Environment

In terms of the external environment, the ever-evolving technologies and products along with actively participating newcomers in the information and electronics industry have fueled the already fierce competition and increased pressure on operations. Catcher officially branched out into the non-consumer electronics industry in 2020, aiming to pursue a diversified portfolio of customers and products. The Company has since then stepped into a brand new era. To ensure its leading industry presence, the Company has paid close attention to and researched the market trends and technology changes for mechanisms of different materials to minimize the adverse impact that comes with technological revolution. Meanwhile, by deeply engaging in the fundamentals of material science and enhancing the forming, processing and surface treatment technologies for different materials, Catcher has been able to lift its technological level and operating efficiency, hence diversifying its products and bringing them to a higher end. With its outstanding manufacturing process technologies and immense production capacity, Catcher constantly provides customers with quality services and enhances mutual well-being relationship with them to ensure stable sources of profits.

Regarding the legal environment, as the concept of sustainable development sweeps across the globe, countries have respectively launched green bills pertaining to electronic products. Aside from fulfilling existing commitments, major brands have also established high standard rules stipulating all suppliers to follow. Catcher continues to launch green manufacturing processes to meet regulatory compliance and the global trend. For any possible changes in the future, the Company will closely track, continuously update and strictly abide by related laws and regulations to mitigate

the operational risk.

As the business environment becomes more complicated, it is increasingly challenging for enterprises to get hold of and predict changes, and the degree of the changes. When assessing the formation of business and investment plans, Catcher will take a more cautious view to refer to industrial circumstances while observing the macroeconomic conditions in order to arrive with the best strategy.

Business Objectives

Catcher officially branched out into the non-consumer electronics market in 2020. In 2021, the Company extended its business focus from notebook computers, tablet computers and wearable devices to 5G applications, automotive parts and healthcare, aiming to diversify its portfolio of products and customers. In 2022, Catcher will continue to develop new products, new customers and new investment opportunities in the aforementioned fields, in order to balance its operating revenue, lower the reliance on single customers, realize sustainable growth and enhance shareholders' value.

As for the notebook PC segment, the underlying global demand has been booming due to the rise of online learning and the work-from-home pattern attributable to pandemic development. The statistics of International Data Corporation indicated that global PC shipments (including desktop computers, notebook PCs, and workstations) reached 348.8 million units in 2021, an increase of 14.8% year on year and a record high since 2012, and that the shipment of notebook PCs could reach double-digit growth. The Market Intelligence & Consulting Institute (MIC) also estimated global notebook PC shipments to reach 238 million units in 2021, an increase of 18.6% year on year. MIC forecasts global notebook PC shipments to reach 230 million units in 2022, mainly due to the emergence of mixed working modes, the commercial demand that comes with enterprises returning to offices, and the deferred effect arising from the shortage of components and materials in the supply chain. Meanwhile, major brands are improving their specifications toward mid- to high-end products. The penetration rate of high-end metal casing and casing featuring a hybrid design constantly rises, generating demands for innovation that could underpin Catcher's shifting its development to high-end, distinctive, and differentiated products and technologies.

The sales of new energy vehicles (EVs) have been growing continuously, thanks to governments' announcing their goals for energy conservation and carbon reduction together with corresponding policies promulgated, to the subsidies and incentives launched in recent years, and to the advance in critical technologies pertaining to batter endurance and batteries of electric vehicles. According to Canalys, a research institute, global sales of electric vehicles in 2021 reached 6.5

million units, an increase that was 109% over the 2020 level and extremely higher than the sales growth of 4% for the traditional car market. The Industrial Technology Research Institute (ITRI) forecasts global sales of electric vehicles in 2022 to reach 12.89 million units, accounting for 14.3% of total vehicle sales. International Energy Agency (IEA) also forecasts the number of electric vehicles, buses, trucks, and heavy-duty trucks running on the road in 2030 to reach 145 million units, representing a compound annual growth rate of roughly 30%. With more countries giving policy guidance and consumer acceptance rising, new energy vehicles are expected to compose the world's largest industry and generate immense demand for interior and exterior accessories and mechanisms that are made of a combination of materials. As a world-class leading mechanism supplier, Catcher has been focusing on manufacturing consumer electronics, performing well terms of cost control and capabilities of design, automation, mass production and yield. This helps Catcher to tap into the automotive market and outperform its competitors. In the long run, the automotive business is expected to balance the Company's portfolio of operating revenue and enhance its growth momentum.

Under the trend where the whole world is accelerating the construction of 5G infrastructures and expanding 5G applications, an optimal design should be considered anew for mobile devices and electronic products that carry a new information and communication technology (ICT) technical specification. 5G technology improves connection speed, but it also requires a product design and a heat dissipation function that can accommodate the high frequency signals and high performance computing that come along with it, further complicating the design of enclosure cases/mechanisms. As a leading manufacturer of enclosure cases and mechanisms, Catcher is able to leverage its thorough knowledge of materials, core technologies, manufacturing capabilities and rich experience in customized design to provide a comprehensive range of total solutions that can meet customers' requirements, thereby maintaining its industry leading position.

Being optimistic about the future development of AI/Smart healthcare and the demand for minimally invasive devices, Catcher has obtained a good understanding of the market trend and increased its presence in the industrial ecosystem through strategic financial investments. Catcher has accumulated years of core capabilities in materials science as well as precision manufacturing and processing; this helps establish competitive advantages to tap into a new field. In October 2021, Catcher obtained the ISO13485 certification (quality management systems for medical devices). With the professional accreditation, Catcher will strive to become a benchmark contract development and manufacturing organization (CDMO) in the minimally invasive medical device area through leveraging its existing strength in materials science and manufacturing and collaborating with first-tier brands. The Company will also constantly seek M&A targets to expand its foothold in the medical industry via multiple approaches.

As a “Leading Brand that Provides the Most Comprehensive Mechanism Solutions”, Catcher has constantly diversified into new products and new fields on the road to transformation. Upholding the fundamental philosophy of “Technology Innovation, Customer Services, Being Ethical and Practical, and Sustainable Management”, the Group strives to develop innovative products, optimize business models, enhance manufacturing technologies, increase the level of automation, and improve the cost structure. Catcher always upholds the strategy of “Make Good Use of Resources, Develop Actively, Look Around the World, and Manage Sustainably”. Regardless of which industry it is in and however future business environment would change, Catcher will uphold its ambition, confidence and determination in the hope to create optimal value for customers, shareholders, and employees.

Chairperson: Shui-shu Hung



Manager: Tien-tzu Hung



Accounting Manager: Mei-hsing Chen



Chapter 2. Company Profile

I. Date of Incorporation: November 23, 1984

II. Company History

- 1984: Incorporated at No. 60, Lane 77, Haizhong Street, Tainan City, with an authorized capital of NT\$2,000 thousand, Catcher started R&D of aluminum alloy die castings for hard disk drives (HDD).
- 1986: Increased capital with cash in the amount of NT\$3,000 thousand; the paid-in capital increased to NT\$5,000 thousand after the capital increase. Began mass production of HDD base plate for : "Micro Science Technology", then the largest HDD manufacturer in Taiwan, and started R&D of magnesium alloy die casting technology.
- 1987: As the magnesium alloy die casting technology is well advanced, Catcher won the first trial order from "Prime" for 5 1/4" HDD reading/writing arms.
- 1988: Product quality was well recognized. To gain more spacious operating space, Catcher purchased a parcel of land in 1,500 pings inside the Yongkang Industrial Park to build a new factory and accommodate newly purchased equipment; doing so substantially expanded the operational scale, thereby heading towards enterprise management.
- 1989: Relocated the factory to No. 79, Huangong Road, Yongkang City, Tainan County. Introduced Taiwan's first magnesium alloy hot chamber die casting machine from western Germany to produce HDD reading/writing arms, which in turn drew the attention of the Japanese die casting industry, who then came to Catcher for a factory visit. Imported the 800-ton aluminum die-casting machine and vacuum die-casting equipment from Japan's Toshiba Machinery Co., Ltd. to produce heat-resistant (400°C) aluminum die-castings, which were then exported to Japan.
- 1990: Increased capital with cash in the amount of NT\$10,000 thousand; the paid-in capital increased to NT\$15,000 thousand after the capital increase. Actively went abroad to participate in exhibitions and visited potential customers in the United States, Canada, Japan, Germany, Belgium, and the Netherlands, who regarded Catcher highly. Won an international order for magnesium alloy die castings, which were to be used on mobile phones; Catcher's magnesium alloy die castings technology had become so mature that it was internationally competitive.
- 1991: To improve the quality of die castings, Catcher introduced the evacuated die casting technology from Switzerland and obtained certain achievements; in the same year, Catcher exported HDD base plates and enclosure cases to

- Singapore and constantly won orders thanks to the competitiveness of its product quality.
- 1992: Increased capital with cash in the amount of NT\$10,000 thousand; the paid-in capital increased to NT\$25,000 thousand after the capital increase. Gradually tapped into the international market, with its quality highly recognized by international clients, and became a regular supplier of internationally renowned HDD brands. Catcher's technology for producing high precision die castings had matured, which in turn drew a train of international inquiries.
- 1994: Increased capital with cash in the amount of NT\$15,000 thousand; the paid-in capital increased to NT\$40,000 thousand after the capital increase. Accredited by DNV for an ISO 9002 international certificate; began developing magnesium alloy die castings for notebook computers of Acer, the largest computer producer in Taiwan.
- 1995: Jointly developed the magnesium alloy die castings for notebook computers with Acer Inc.
- 1996: Increased capital in June with earnings in the amount of NT\$20,000 thousand and capital surplus in the amount of NT\$20,000 thousand; the paid-in capital increased to NT\$80,000 thousand after the capital increase. Became the first in Taiwan to officially start mass production of magnesium alloy base plates for notebook computers. Since then, domestic notebook computer manufacturers have had an excellent alternative solution to solve the problems of heat dissipation and electromagnetic interference problems.
- 1997: Accredited by BVQI for an ISO 9001 certificate. Increased capital with cash in the amount of NT\$80,000 thousand in April and earnings in the amount of NT\$32,000 thousand in June; the paid-in capital increased to NT\$192,000 thousand after the capital increase. In response to the upscale of the Company and the decision to participate in the capital market, the Board of Directors resolved to apply for its shares to be traded on TWSE and TPEx, change the Company's name to Catcher Technology Co., Ltd., and conduct public offering.
- 1998: Purchased additional magnesium alloy die-casting machines, CNC processing machines, and paint baking lines; purchased two factories to expand production capacity. China Development Industrial Bank became the Company's corporate shareholder by purchasing 7.81% of the Company's shares. Planned to computerize all operational procedures, which were either accredited or inquired by internationally renowned brands such as COMPAQ and DELL.
Increased capital with earnings in the amount of NT\$134,400 thousand and employee bonus in the amount of NT\$630 thousand; the paid-in capital increased to NT\$327,030 thousand after the capital increase.

- 1999: Purchased additional magnesium alloy die-casting machines, CNC processing machines, and mold temperature controllers; purchased a new factory for capacity expansion. Increased capital with earnings in the amount of NT\$133,512 thousand and cash in the amount of NT\$100,000 thousand raised through issuance of 2,000 thousand common shares; the paid-in capital increased to NT\$480,542 thousand after the capital increase. The Company's shares started to be traded on the OTC market on November 1.
- 2000: Increased capital with cash in the amount of NT\$1.32 billion raised through issuance of 8,000 thousand common shares; the paid-in capital increased to NT\$560,542 thousand after the capital increase. Increased capital with earnings in the amount of NT\$283,871 thousand; the paid-in capital increased to NT\$844,413 thousand after the capital increase. Signed a patent license agreement with National Tsing Hua University for the "reciprocating extrusion process", which was used for R&D and improvement of the magnesium alloy and magnesium matrix composites of computer, communication, and consumer electronics, aerospace and optical products. Purchased freezing deburring machines, die castings take-out robots, grinding robots, and high-speed processing machines; researched and developed computer software and mold flow analysis software to expand production capacity. Leased a parcel of land in 22,000 pings from Taiwan Sugar Corporation (TSC) to build the Ren-ai factory, where new equipment was purchased, substantially expanding the operational scale and advancing towards the world's number 1 production technology and a world-class vertically integrated process.
- 2001: Purchased additional cold chamber magnesium alloy die-casting machines, magnesium alloy die-casting machines, magnesium die-castings take-out robots, and coating robots, aiming to further expand capacity. Catcher's "Leader Products R&D Program" was approved by the Industrial Development Bureau, Ministry of Economic Affairs in February. Relocated the other four factories to the Ren-ai factory site; such relocation could reduce the defect rate due to inter-factory transportation, shorten the production lead time, lower the manpower allocation required for materials control and production control, and reduce the transportation cost. Increased capital with earnings in the amount of NT\$176,083 thousand; the paid-in capital increased to NT\$1,020,496 thousand after the capital increase. The Company's shares started to be traded on TWSE on September 17, 2001. Products were successively certified by international brands such as Apple, Motorola, LG, and Samsung; orders for enclosure cases of PDAs and cellphones came in a row, officially kicking start mass shipments.

- 2002: Issued the first round of secured corporate bonds in the amount of NT\$700 million, with the annual interest rate 2.795%.
To develop new products and expand capacity, Catcher successively purchased CNC processing machines and clean room mobile phone coating equipment.
Branched out into the business of desktop computer enclosure cases and received orders from international brands, further boosting the shipments.
Catcher's Suzhou factory in China officially started mass production and shipment.
Increased capital with earnings in the amount of NT\$265,862 thousand and capital surplus in the amount of NT\$51,025 thousand; the paid-in capital increased to NT\$1,337,383 thousand after the capital increase.
- 2003: Increased capital with earnings in the amount of NT\$213,607 thousand; the paid-in capital increased to NT\$1,550,990 thousand after the capital increase.
Issued euro-convertible bonds in the amount of USD50,000 thousand.
- 2004: Rated first in the overall operational performance category in the survey titled "Top 1000 Taiwanese Enterprise in China" conducted by China Credit Information Service Ltd..
Increased capital with earnings in the amount of NT\$325,598 thousand; the paid-in capital increased to NT\$1,876,588 thousand after the capital increase.
Converted euro-convertible bonds in the amount of USD1,500 thousand at a conversion price of NT\$105, increasing the paid-in capital to NT\$1,881,469 thousand.
Catcher's China subsidiary released new capacity; TOPO Technology (Suzhou) was established to prepare for future capacity needs.
- 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..
Increased capital with earnings in the amount of NT\$782,327 thousand; the paid-in capital increased to NT\$2,821,616 thousand after the capital increase.
Issued the year's first round of private placement of euro-convertible bonds in the amount of USD80,000 thousand.
To meet capacity needs and in consideration of the operation of the organizational structure, Catcher established Yakila Technology (Suzhou) Co., Ltd. in mainland China through reinvestment.
Catcher's TOPO Technology (Suzhou) in China officially started mass production and shipment.

- 2006: Included in Forbes' Asia's 200 Best Under A Billion List and Asia's 200 Best Under A Billion.
 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. through investment.
 Catcher's Taiwan factory purchased additional CNC processing machines and other machinery and equipment.
 Increased capital with earnings in the amount of NT\$1,194,729 thousand and with the proceeds derived from the conversion of converted euro-convertible bonds, increasing the paid-in capital to NT\$4,141,365 thousand.
- 2007: Ranked first among the Top 10 Benchmark Enterprises Investing in China, and 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.
 Increased capital with earnings in the amount of NT\$1,274,442 thousand; the paid-in capital increased to NT\$5,415,917 thousand after the capital increase.
 Established a subsidiary separately in Hong Kong and Singapore to integrate offshore investment, facilitate investee management, and adjust the investment structure within the Group.
- 2008: Increased capital with earnings in the amount of NT\$581,242 thousand; the paid-in capital increased to NT\$5,997,159 thousand after the capital increase.
 Purchased the second factory in Tainan Science Park to meet the Company's operational planning needs.
 Established Catcher Technology (Suqian) Co., Ltd. through reinvestment in response to the Group's operational expansion and the preferential treatment for investment in China.
- 2009: Obtained the certificate of ISO14001 Environmental Management System.
 Increased capital with earnings; the paid-in capital increased to NT\$6,649,085 thousand after the capital increase.
 Issued domestically convertible bonds in the amount of NT\$5,000,000 thousand.
 Injected USD 93 million into the wholly-owned subsidiary to expand the Group's operations.
- 2010: The Group's consolidated revenue reached a new high, to NT\$21.8 billion.
 To develop the seamless magnesium alloy enclosure cases for smartphones, Catcher expanded its CNC processing machines and became one of the global mechanism manufacturers in the computer, communication, and consumer electronics industry possessing the most scaled CNS equipment.
 Catcher Technology (Suqian) Co., Ltd. also started mass production.

- 2011: The Group's consolidated revenue reached a new high, to NT\$35.9 billion, as did the net profit, which stood at NT\$10.607 billion.
Initially issued 6.7 million units of global depository receipts (GDRs) for USD 220 million.
Issued the second round of domestically convertible bonds in the amount of NT\$4.5 billion.
Awarded the "Job Creation Contribution Award" by the Premier of the Executive Yuan.
Awarded "Top 100 Taiwanese Innovative Enterprises for 2011" by the Industrial Development Bureau, 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, which was stricken by the great east japan earthquake on March 11.
- 2012: The Group's consolidated revenue reached a new high, to NT\$37 billion, as did the net profit, which stood at NT\$10.89 billion.
Included in the World's 1000 Fastest Growing Enterprises by the International Business Times.
Rated by Digitimes as "Top 100 Taiwanese 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 operating revenue growth in the Asia area, and 5th in terms of regional ranking, and 3rd in terms of profitability in the Taiwan area.
To expand operations, Catcher established VITO Technology (Suqian) Co., Ltd. and Topo Technology (Taizhou) Co. Ltd. under the approval of the Investment Commission, Ministry of Economic Affairs.
- 2013: The Group's consolidated revenue reached a new high, to NT\$43.2 billion, as did the net profit, which stood at NT\$13.8 billion.
Awarded the "Excellent Importer and Exporter for 2012" by the Bureau of Foreign Trade, Ministry of Economic Affairs.
- 2014: The Group's consolidated revenue reached a new high, to NT\$55.2 billion, as did the net profit, which stood at NT\$17.8 billion.
To expand operations, Catcher established Norma International Co., Limited and Arcadia Technology (Suqian) Co., Ltd.
Injected capital into the subsidiaries in mainland China, including 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: The Group's consolidated revenue reached a new high, to NT\$82.4 billion, as did the net profit, which stood at NT\$25.1 billion.
Being the only Taiwanese company Included in Forbes' ranking of Asia's

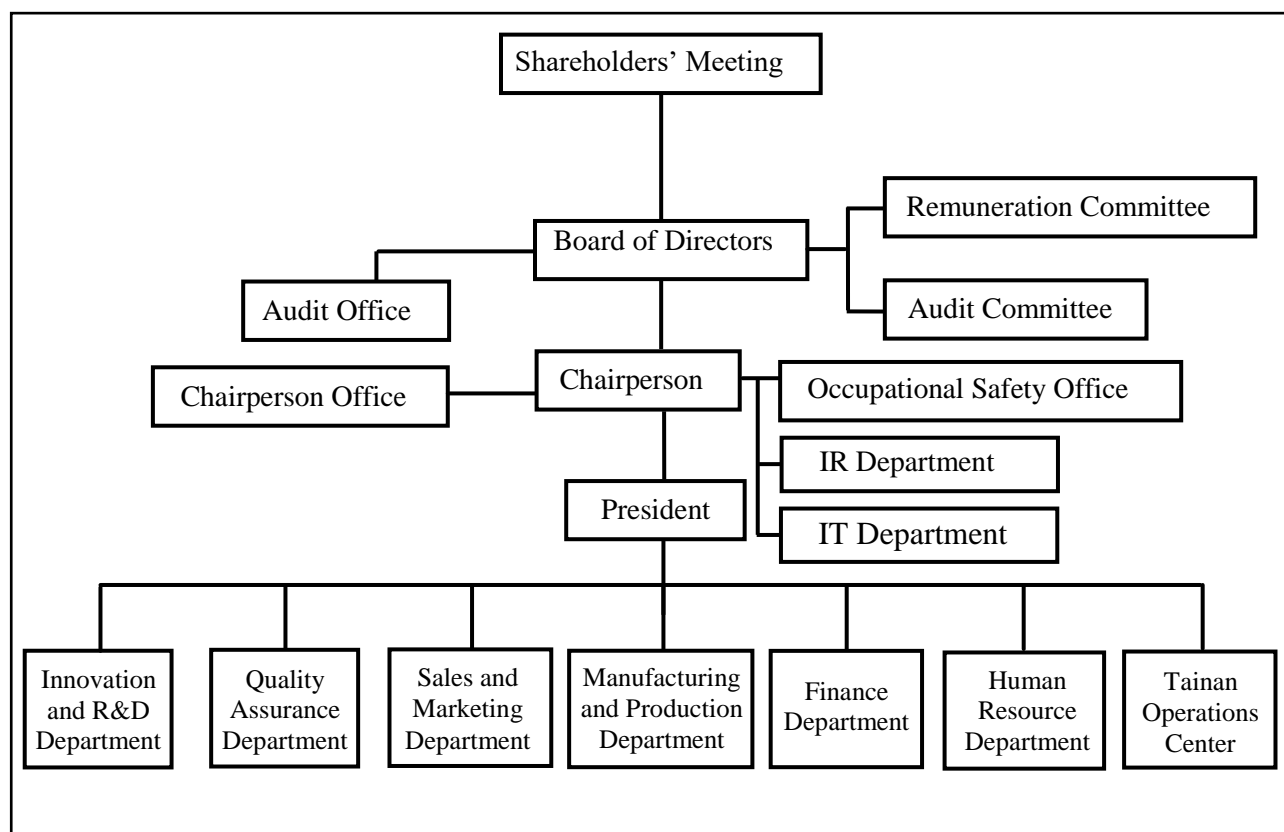
- Top 50 Best Companies.
- 2016: The Group's consolidated revenue reached a new high, to NT\$79.1 billion, as did the net profit, which stood at NT\$22 billion.
To expand operations, Catcher established Meecca Technology (Taizhou) Co., Ltd.
Harvard Business Review ranked Catcher's Chairperson third among Taiwan's Top 50 Best-performing CEOs, and rated Catcher first in the category of technology and computer peripherals.
Ranked 10th among Nikkei's Asia 300, which was ranked by enterprise clout.
Awarded the "2016 Sports Enterprise Certification" medal by the Sports Administration, MOE.
Awarded the 2016 Award of Outstanding Taiwanese Businessman in China by Management Institute in Taipei.
- 2017: The Group's consolidated revenue reached another new high, to NT\$93.3 billion.
To expand operations, Catcher established Envio Technology (Suqian) Co., Ltd.
Forbes ranked Catcher 178th among its Growth Champions under Forbes Global 2000.
Forbes ranked Catcher 51st among its Top Multinational Performers under Forbes Global 2000.
Nikkei ranked Catcher 14th among its Asia 300.
To respond to MOEA's voluntary green power price system program, Catcher subscribed to 1,000,000 Kwh of green power for 2017, which was capable of reducing CO2 emissions by 528 tons.
included in Taiwan Top 5000 Big Enterprises by China Credit Information Service Ltd.
Obtained the certificate of ISO 14046 Water Footprint Verification.
- 2018: The Group's consolidated revenue reached another new high, to NT\$95.4 billion.
Included in FT High-Growth Companies Asia-Pacific by the Financial Times
Catcher's Factory No.1 and Factory No.2 in Tainan Science Park passed the Cleaner Production Conformity Assessment hosted by the Industrial Development Bureau, Ministry of Economic Affairs.
Ranked 15th among Nikkei's Asia 300, which was ranked by enterprise clout.
Forbes ranked Catcher 188th among its Growth Champions under Forbes Global 2000.
Forbes ranked Catcher 24th among its Top 100 Digital Companies 2018 and 1st among the Taiwanese companies included.
The China subsidiary Meecca Technology (Taizhou) was awarded the "2018 Benchmark Enterprise Creative Model Unit".

- 2019: The Group's consolidated revenue reached NT\$91.6 billion, the third consecutive year over NT\$90 billion.
 1111 Job Bank included Catcher in the List of Top 20 Happy Enterprises in the Technology Industry.
 Awarded the Admission Award for the enterprise category under the National Sustainability Award.
 Signed a Memorandum of Understanding with the Bureau of Education, Tainan City Government, to execute the Computational Thinking Promotion Project.
 Awarded the Best Electronics Manufacturing Company by Global Brands.
 Catcher Technology (Suqian) was recognized as a Fire Safety Management Model Unit for the Suzhou Suqian Industrial Park.
- 2020: Resolved to buy back treasury shares to uphold shareholders' interest.
 Signed a Memorandum of Understanding again with the Bureau of Education, Tainan City Government, to execute the Computational Thinking Promotion Project.
 Harvard Business Review ranked Catcher's chairperson 1st among its Top 100 Best-performing CEOs in Taiwan.
 Awarded the "Sports Enterprise Certification" medal by the Sports Administration, MOE for the third consecutive time.
 Sold the shares of TOPO Technology (Taizhou) and Meeca Technology (Taizhou) to Lens Technology.
- 2021: ITRI and Catcher Technology collaborated on a next-generation integrated electrosurgery system and a precision dual-mode system for minimally invasive surgery.
 Obtained the certificate of ISO13485 Medical devices — Quality management systems — Requirements for regulatory purposes, striving to become a benchmark contract development and manufacturing organization (CDMO).
 Resolved to buy back treasury shares to uphold shareholders' interest.
 Disposed of 100% equity interest in TOPO Technology (Suzhou) Co., Ltd. and Meeca Technology. (Suzhou Industrial Park) Co., Ltd. to Suzhou Xinruisheng Operation Management Co., Ltd. and Suzhou Xinruili Operation Management Co., Ltd.

Chapter 3. Corporate Governance Report

I. Organization

(I) Organizational Chart



(1) Major Roles and Responsibilities of the Departments

- **Chairperson Office:** Legal affairs and IPR; transformation strategy; external investment affairs of the Company.
- **Innovation and R&D Department:** Forward-looking technology R&D; production process technology development.
- **Quality Assurance Department:** Product quality inspection and assurance.
- **Sales and Marketing Department:** Brand management; market research; business promotion; customer service.
- **Manufacturing and Production Department:** Manufacturing and processing of mechanism appearance parts and internals.
- **Finance Department:** Financial and accounting affairs; investment planning; stock affairs management.
- **Human Resource Department:** Human resource management; organizational development.
- **Tainan Operations Center:** Group materials planning; supplier resources management; operational and management information; establishment of indicators and tracking and valuation of them.
- **Audit Office:** Internal audit; operating procedures management.
- **Occupational Safety Office:** Inspection of occupational safety and environment within the factories.
- **IR Department:** Shareholder and investor communication; maintenance of relationship with them.

II. About the Directors

About the Directors (I)

Unit: Share

February 28, 2022

Title	Name	Nationality or Place of Registration	Gender/Age	Date first elected	Tenure	Date elected (appointed)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Main career (academic) achievements	Concurrent duties in the Company and other companies	Title	Spouse or relatives of the second degree or closer acting as manager or director	
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage				Name	Relationship
Director	Shui-shu Hung	Taiwan	Male/Aged 61~70	2013.06.13	Three years	2019.06.12	10,704,834	1.47%	10,704,834	1.47%	18,409,961	2.52%	-	-	National Taiwan University College of Medicine Chairperson of Catcher Technology	Chairperson of Kai Yi Investment Co., Ltd	President Director	Tien-tzu Hung Shui-sung Hung	Brothers
Director	Tien-tzu Hung	Taiwan	Male/Aged 51~60	2013.06.13	Three years	2019.06.12	10,661,889	1.46%	10,661,889	1.46%	15,364,013	2.11%	-	-	Chairperson of Chia-Wei Investment Co., Ltd.	President of the Company; Chairperson of Chia-Wei Investment Co., Ltd.	Chairman Director	Shui-shu Hung Shui-sung Hung	Brothers
Director	Yong Yu Investment Co., Ltd.	Taiwan		2020.06.30	Two years	2020.06.30	10,283,871	1.41%	10,283,871	1.41%	-	0%	-	-		-	-	-	-
Representative	Shui-sung Hung	Taiwan	Male/Aged 51~60	2020.06.30	Two years	2020.06.30	-	0%	-	0%	-	0%	-	-	Chairperson of De-Neng Investment Co., Ltd. Supervisor of Yong Yu Investment Co., Ltd.	Chairperson of De-Neng Investment Co., Ltd. Supervisor of Yong Yu Investment Co., Ltd.	President Chairman	Shui-shu Hung Tien-tzu Hung	Brothers

Director	Meng-huan Lei	Taiwan	Male/ Aged 61~70	2013.06.13	Three 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 Decision-making committee member/Director of Lo-Hsu Medical Foundation Lotung Poh-Ai Hospital	-	-	-
Independent director	Wen-che Tseng	Taiwan	Male/ Aged 61~70	2019.06.12	Three 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 HUA YU LIEN Development Co., LTD.'s independent director/Audit Committee member/Remuneration Committee member Goldsun Building Materials Co., Ltd.'s independent director/Audit Committee member/Remuneration Committee member KMC (Kuei Meng) International Inc.'s independent director/Audit Committee member/Remuneration Committee member	-	-	-

Independent director	Tsung-chu Liang	Taiwan	Male/ Aged 51~60	2019.06.12	Three 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 Tech. Corp.	-	-	-
Independent director	Ming-yang Cheng	Taiwan	Male/ Aged 51~60	2019.06.12	Three years	108.06.12	-	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	-	-	-

Substantial Shareholders of Corporate Shareholders

Name of Substantial Shareholder	Substantial Shareholders of Corporate Shareholders
Yong Yu Investment Co., Ltd.	Mei-Fen Huang (0.05%) , Shui-sung Hung (99.95%)

About the Directors (II)

Board Diversity

The Company has established a “Code of Corporate Governance Practices” 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 achieve the desired objectives of corporate governance, the Board as a whole should possess the following competencies:

1. Operational Judgment
2. Accounting and Financial Analysis
3. Business Management
4. Crisis Management
5. Industry Experience
6. Global Market Perspective
7. Leadership
8. Strategic Decision-making

28.57% are directors who are employees of the Company, 42.86% are independent directors, 3 independent directors have a term of office of less than 3 years, 4 directors are 51-60 years old, and 3 are 61-70 years old. The Board of Directors has established a diversity policy on the composition of its members in the Company's “Code of Corporate Governance Practices ”, which is disclosed on the Company's website and the Market Observation Post System.

Criteria Name	Title	Employed by Catcher	1	2	3	4	5	6	7	8
Shui-shu Hung	Chairman	✓	✓		✓	✓	✓	✓	✓	✓
Tien-tzu Hung	President	✓	✓		✓	✓	✓	✓	✓	✓
Shui-sung Hung	Director - Representative of Yong Yu Investment Co., Ltd		✓		✓	✓	✓	✓	✓	✓
Meng-huan Lei	Director		✓		✓	✓	✓	✓	✓	✓
Wen-che Tseng	Independent director		✓	✓	✓	✓	✓	✓	✓	✓
Tsung-chu Liang	Independent director		✓		✓	✓	✓	✓	✓	✓
Ming-yang Cheng	Independent director		✓		✓	✓	✓	✓	✓	✓

II. Background information on directors, the President, vice presidents, associate vice presidents, and heads of various departments and branches

Unit: Share

February 28, 2022

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Main career (academic) achievements	Concurrent duties in the Company and other companies	Manager who is a spouse or second-degree relative of another manager		
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
President	Taiwan	Tien-tzu Hung	Male	105.1.1	10,661,889	1.46 %	15,364,013	2.11 %	-	-	Chairperson of Chia-Wei Investment Co., Ltd. President of Catcher	Chairperson of Chia-Wei Investment Co., Ltd.			
Vice president	Taiwan	Tang-lung Hsu	Male	109.10.26	0	0.00 %	597	0.00 %	-	-	Master of Science in Mechanical Engineering, Oregon State University Vice president of Catcher Technology / Special assistant to the Chairperson President of BenQ Medical Chairperson and President of Lily Medical Corporation Chairperson and CEO of BenQ AB DentCare Corp President of the Computer Products Department, BenQ Corporation	Chairperson (representative) of Smart Ecare Inc. Chairperson (representative) of Ke Yue Co., Ltd. Chairperson (representative) of Yi Sheng Co., Ltd. Chairperson (representative) of Yi De Co., Ltd. Chairperson (representative) of Catcher Medtech Co., Ltd.	-	-	-
Vice president	Taiwan	Hsu-yuan Li	Male	94.2.1	0	0.00 %	985	0.00 %	-	-	Mechanical Engineering Department of National Taipei Institute of Technology Senior vice president of the R&D Department of Catcher	Director (representative) of Catcher Medtech Co., Ltd.	Senior associate vice president	Yu-yen Lin	Spouse
Vice president	Taiwan	Shih-te Huang	Male	109.12.01	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	None	-	-	-

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Main career (academic) achievements	Concurrent duties in the Company and other companies	Manager who is a spouse or second-degree relative of another manager		
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Special assistant	Taiwan	Wen-chung Yeh	Male	2021.01.04	0	0.00 %	0	0.00 %	-	-	Department of Business Administration, Boston University Associate vice president of the Finance Management Center, Teco Electric & Machinery Co., Ltd.; spokesperson of Teco Electric & Machinery Co., Ltd.	Supervisor (representative) of Catcher Medtech Co., Ltd.	-	-	-
Senior associate vice president	Taiwan	Yu-yen Lin	Female	94.2.1	985	0.00 %	0	0.00 %	-	-	St.Cloud State MBA Senior associate vice president of the Sales Department of Catcher	Director (representative) of Ke Yue Co., Ltd. Director (representative) of Yi Sheng Co., Ltd. Director (representative) of Yi De Co., Ltd.	Vice president	Hsu-yuan Li	Spouse
Senior associate vice president	Taiwan	Shih-wei Li	Male	96.11.1	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	None	-	-	-
Senior associate vice president	Taiwan	Mei-hsing Chen	Female	101.01.01	54,234	0.01 %	0	0.00 %	-	-	EMBA, Southern Taiwan University of Science and Technology Senior associate vice president of the Financial and Accounting Affairs Department, Catcher	Director of the Hong Kong subsidiary of the Company	-	-	-
Senior associate vice president	Taiwan	I-fang Feng	Male	107.10.08	0	0.00 %	0	0.00 %	-	-	International Business, National Taiwan University College of Management, National Taiwan University Synopsis Taiwan Co., Ltd. Inventec Associate vice president of the Sales Department of Catcher	None	-	-	-

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Main career (academic) achievements	Concurrent duties in the Company and other companies	Manager who is a spouse or second-degree relative of another manager		
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Associate vice president	Taiwan	Chih-Hsing 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 Engineer/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)	None	-	-	-
Associate vice president	Taiwan	Hung-ying Li	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	None	-	-	-

(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)

Data as at December 31, 2021
Unit: In Thousands of New Taiwan Dollars

Title	Name	Directors' remuneration							The ratio of the sum of A, B, C, and D to the net profit after tax		Remuneration for concurrent duty as an employee							Ratio of the sum of A, B, C, D, E, F, and G to the net profit after tax		Remuneration received from an investee other than a subsidiary, or the parent company	
		Compensation (A)		Disability retirement benefits (B)		Directors' compensation (C)		Fees for professional practice (D)			Salary, bonus, and special reimbursement (E)		Disability retirement benefits (F)		Employee compensation (G)						
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements				
Chairperson: Shui-shu Hung President: Tien-tzu Hung Director: Shui-sung Hung Director Meng-huan Lei	-	-	-	-	15,500	15,500	683	683	0.19%	0.19%	11,443	11,443	294	294	9,260	-	77,005	-	0.43%	1.22%	None
Independent director Wen-che Tseng Independent director Tsung-chu Liang Independent director Ming-yang Cheng	-	-	-	-	900	900	535	535	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	None
1. Please describe the remuneration policy, system, criteria, and structure for independent directors, and the relevance of remuneration to factors such as the duty and risk they assume and the time they invest: 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. 2. Aside from the remuneration disclosed in the above table, is there any other remuneration received by directors in the most recent year from any company included in the financial statements for their services rendered (such as serving as an advisor other than an employee): None.																					

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

* The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation..

Table of Remuneration Ranges

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 within the consolidated financial statements H	The Company	All companies within the consolidated financial statements I
Under NT\$1,000,000	Meng-huan Lei; Wen-che Tseng; Tsung-chu Liang; and Ming-yang Cheng	Meng-huan Lei; Wen-che Tseng; Tsung-chu Liang; and Ming-yang Cheng	Meng-huan Lei; Wen-che Tseng; Tsung-chu Liang; and Ming-yang Cheng	Meng-huan Lei; Wen-che Tseng; Tsung-chu Liang; and Ming-yang Cheng
NT\$1,000,000 ~ 1,999,999				
NT\$2,000,000 ~ 3,499,999				
NT\$3,500,000 ~ 4,999,999				
NT\$5,000,000 ~ 9,999,999	Shui-shu Hung; Tien-tzu Hung; and Yong Yu Investment Co., Ltd.	Shui-shu Hung; Tien-tzu Hung; and Yong Yu Investment Co., Ltd.	YongYu Investment Co., Ltd.	Yong Yu Investment Co., Ltd.
NT\$1,000,000 ~ 14,999,999			Tien-tzu Hung	Tien-tzu Hung
NT\$15,000,000 ~ 29,999,999			Shui-shu Hung	
NT\$30,000,000 ~ 49,999,999				
NT\$50,000,000 ~ 99,999,999				Shui-shu Hung
Above NT\$100,000,000				
Total				

*The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

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

Data as at December 31, 2021
Unit: In Thousands of New Taiwan Dollars

Unit: in Thousands of New Taiwan Dollars

Title	Name	Salary (A)		Disability retirement benefits (B)		Bonus and special reimbursement (C)		Employee compensation (D)				The ratio of the sum of A, B, C, and D to the net profit after tax (%)		Remuneration received from an investee other than a subsidiary, or the parent company
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company		All companies within the financial statements		The Company	All companies within the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Chairperson	Shui-shu Hung	21,735	21,735	1,010	1,010	3,105	3,105	17,356	-	85,101	-	0.50%	1.29%	None
President	Tien-tzu Hung													
Vice president	Tang-lung Hsu; Wen-chien Chien; Chun-i Wu; Shih-te Huang; and Hsu-yuan Li													

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 2021. The amount of earnings to be distributed this year is based on the accrued distribution ratio last year.

※The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

Table of Remuneration Ranges

The President's and vice presidents' remuneration ranges	Name of President and vice president	
	The Company	All companies within the consolidated financial statements
Under NT\$1,000,000	Chun-i Wu	Chun-i Wu
NT\$1,000,000 ~ 1,999,999		
NT\$2,000,000 ~ 3,499,999	Wen-chien Chien	Wen-chien Chien
NT\$3,500,000 ~ 4,999,999		
NT\$5,000,000 ~ 9,999,999	Tien-tzu Hung; Tang-lung Hsu; Shih-te Huang; and Hsu-yuan Li	Tien-tzu Hung; Tang-lung Hsu; Shih-te Huang; and Hsu-yuan Li
NT\$1,000,000 ~ 14,999,999	Shui-shu Hung	
NT\$15,000,000 ~ 29,999,999		
NT\$30,000,000 ~ 49,999,999		
NT\$50,000,000 ~ 99,999,999		Shui-shu Hung
Above NT\$100,000,000		
Total		

*The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

3. The name of manager to whom an employee compensation is distributed, and the distribution status

Data as at December 31, 2021
Unit: In Thousands of New Taiwan Dollars

	Title	Name	Amount in shares	Amount in cash	Total	Ratio of total amount to the net profit after tax (%)
Manager	Chairperson	Shui-shu Hung	0	32,497	32,497	0.38%
	President	Tien-tzu Hung				
	Vice president	Tang-lung Hsu				
	Vice president	Hsu-yuan Li				
	Vice president	Shih-te Huang				
	Special assistant	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				
	Associate vice president	Chih-Hsing Lin				
	Associate vice president	Hung-ying Li				

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 2021. The amount of earnings to be distributed this year is based on the accrued distribution ratio last year.

※The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

(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	
	2021		2020			
	The Company	All companies within the consolidated financial statements	The Company	All companies within the consolidated financial statements	The Company	All companies within the consolidated financial statements
	Directors	0.69%	1.48%	0.63%	1.62%	0.06%
President						
Vice presidents						

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 2021. 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 Implementation

(I) Information on the operation of the Board of Directors

Between January 2021 and December 2021, the Board of Directors held a total of 8 meetings (A); the attendance by directors is stated as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (B/A)	Note
Chairperson	Shui-shu Hung	8	0	100.00%	Reelected on June 12, 2019
Director	Tien-tzu Hung	8	0	100.00%	Reelected on June 12, 2019
Representative of corporate director	Director - Representative of Yong Yu Investment Co., Ltd: Shui-sung Hung	8	0	100.00%	Elected on June 30, 2020
Director	Meng-huan Lei	6	1	75.00%	Reelected on June 12, 2019
Independent director	Wen-che Tseng	8	0	100.00%	Newly elected on June 12, 2019
Independent director	Tsung-chu Liang	8	0	100.00%	Newly elected on June 12, 2019
Independent director	Ming-yang Cheng	8	0	100.00%	Newly elected on June 12, 2019
<p>Other matters requiring disclosure:</p> <ol style="list-style-type: none"> In the event of any of the following in a Board of Directors meeting, the dates of meeting, session, contents of motions, the opinions of independent directors, and the Company's response to the opinions should be specified: (I) Matters described in Article 14-3 of the Securities and Exchange Act: None. (II) Any other documented objections or qualified opinions raised by an independent director against a board resolution: None. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process: 					

Meeting date	Director	Motion contents	Avoidance of conflict of interests; voting status
2021.03.10	Shui-shu Hung Tien-tzu Hung Shui-sung Hung Tsung-chu Liang	The Company intends to donate to Catcher Educational Foundation; hereby submits a proposal for discussion.	Director Shui-shu Hung, who is the chairperson of Catcher Educational Foundation, Director Madam Tsung-chu Liang, who is a director of the foundation, and directors Shui-sung Hung and Tien-tzu Hung, who are a relative within the second degree of kinship of Director Shui-shu Hung, recused themselves from discussion and voting to avoid conflict of interest; the proposal was approved by all other directors present as proposed.
2021.08.06	Shui-shu Hung Tien-tzu Hung Shui-sung Hung Tsung-chu Liang	The Company intends to donate to Catcher Educational Foundation; hereby submits a proposal for discussion.	Director Shui-shu Hung, who is the chairperson of Catcher Educational Foundation, Director Madam Tsung-chu Liang, who is a director of the foundation, and directors Shui-sung Hung and Tien-tzu Hung, who are a relative within the second degree of kinship of Director Shui-shu Hung, recused themselves from discussion and voting to avoid conflict of interest; the proposal was approved by all other directors present as proposed.
2021.08.06	Shui-shu Hung Tien-tzu Hung Shui-sung Hung	The Company intends to distribute employee compensation for managers of 2020; hereby submits a proposal for resolution.	Chairperson Shui-shu Hung, director Tien-tzu Hung, and director Shui-sung Hung, a relative within the second degree of kinship, recused themselves from discussion and voting; the proposal was approved as proposed by all other directors present.

III. Objectives for enhancing the Board of Directors' functions (such as an audit committee, improving information transparency, and so on) for the current year and the most recent year, and status of implementation: The Company established the Remuneration Committee on December 23, 2011 and the Audit Committee on June 13, 2013.

Evaluation of the Board of Directors

The Company passed the Board of Directors Performance Evaluation Guidelines on November 9, 2019 through a resolution and started implementing the same from January 1, 2020.

The Company already submitted the 2021 evaluation results to the Board of Directors on February 24, 2022.

Evaluation periodicity	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.	January 1, 2021 through December 31, 2021	Performance evaluation of the Board of Directors and the Board members	The evaluation was conducted by means of internal questionnaires, including self-evaluation questionnaires on the Board of Directors as a whole, and the self-evaluation questionnaires on each member of the Board of Directors.	<p>The performance evaluation of the Board of Directors includes the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operations of the Company. 2. Improvement in the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the directors. 5. Internal control. <p>The performance evaluation of members of the Board of Directors includes the following five aspects:</p> <ol style="list-style-type: none"> 1. Alignment with the goals and tasks of the Company. 2. Awareness of the duties of a director. 3. Participation in the operations of the Company. 4. Management of internal relationship and communication. 5. Professionalism and continuing education of the directors. 6. Internal control.

(II) Operation of the Audit Committee

Operation of the Audit Committee

The Audit Committee assembled 7 times between January 1 and December 31, 2021. The attendance of members is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	% of attendance in person (B/A) (Note)	Remarks
Audit Committee member	Wen-che Tseng	7	0	100.00%	Newly appointed on June 12, 2019
Audit Committee member	Tsung-chu Liang	7	0	100.00%	Newly appointed on June 12, 2019
Audit Committee member	Ming-yang Cheng	7	0	100.00%	Newly appointed on June 12, 2019
<p>Other matters to be recorded:</p> <p>I. In the event of any of the following in the audit committee, the dates of audit committee meetings, sessions, contents of motions, the dissenting opinion, qualified opinion, or significant suggestions of the independent director, resolutions of the audit committee meetings, and the Company's response to audit members' opinion should be specified:</p> <p>(I) Items listed in Article 14-5 of the Securities and Exchange Act: None.</p> <p>(II) Any other resolutions that were approved by two thirds of Board members but not approved by the Audit Committee other than those described above: None.</p> <p>II. In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: None.</p> <p>III. Communication between the Independent Directors and internal audit officer and CPAs (e.g., matters, methods, and results of communication regarding the Company's financial and business status):</p> <p>(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.</p>					

(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) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established Corporate Governance Best Practice Principles on August 6, 2021 which are posted on the Corporate Governance section of the Company's website.	No significant difference.
II. The Company's equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the	✓ ✓		(I) The Company has set up 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. (II) The Company has kept close contact with major shareholders or their ultimate controllers and, via its	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>procedures?</p> <p>(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?</p> <p>(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?</p> <p>(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?</p>	<p>✓</p> <p>✓</p>		<p>investor relations personnel and stock affairs personnel, closely monitors any equity changes at any time.</p> <p>(III) The Company has carried out implementation in accordance with its "Regulations for Supervision of Subsidiaries".</p> <p>(IV) The Company has formulated procedures for handling internal material information, so as to establish a good mechanism for handling and disclosing internal material information and to prevent leakage of information; the Company shall also carry out its business activities by adhering to the due care and fiduciary duty of a good administrator, the good faith principle, laws, official directives, TWSE regulations, and these procedures.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors formulated policy and specific management goals regarding</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. The</p>	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>the diversity of membership and implemented the same accordingly?</p> <p>(II) In to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?</p> <p>(III) Has the Company formulated board performance evaluation measures and 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' remuneration and nomination for reappointment?</p> <p>(IV) Does the Company regularly evaluate the independence of attesting CPAs?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>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 laws or business needs require so.</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 in the manner prescribed.</p> <p>The Company already submitted the 2021 evaluation results to the Board of Directors on February 24, 2022.</p> <p>(IV) The Company regularly assesses the independence of its appointed CPAs</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			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)?	✓		<p>The Company has assigned corporate governance matters to the Finance Department; though being a concurrent unit, the Finance Department is subordinated by stock affairs personnel, who are exclusively responsible for corporate governance matters as well as meeting affairs of the Company, shareholders' meeting, Board of Directors, and the various committees.</p> <p>On May 5, 2021, the Company's Board of Directors reached a resolution to designate Vice President Tang-lung Hsu as the Chief Corporate Governance Officer responsible for all corporate governance affairs. 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</p>	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			fulfill the functions of the Board of Directors and other functional committees to protect investors' interest.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special sections for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	✓		<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).</p> <p>The Company's website has been rearranged in accordance with TWSE's Rules Governing Information Filing to indicate the word "stakeholders" at a conspicuous place on the web page, so that stakeholders can, with a quick click, access the communication channels for different issues and obtain proper response.</p> <p>In addition, the Company annually publishes its sustainability report (i.e. corporate social responsibility report) and distributes questionnaire to stakeholders to survey their degree of concern over certain corporate social responsibility issues - which stakeholders include employees,</p>	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			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 (i.e. corporate social responsibility report) and responding to issues that concern stakeholders.	
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	✓		The Company has commissioned the Stock Affairs Agency Department of CTBC Bank to handle shareholders' meeting affairs. Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Taipei City Tel: (02) 6636-5566 Website: https://ecorp.ctbcbank.com/cts/index.jsp	No significant difference.
VII. Public disclosure of information (I) Has the Company set up a website to disclose finance and business matters and corporate governance information? (II) Has the Company adopted	✓		(I) The Company's website http://www.catcher-group.com , which is presented in three languages, namely traditional Chinese, simplified Chinese, and English, regularly discloses the Company's financial statements as well as information on its operations,	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?</p> <p>(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?</p>	✓	✓	<p>corporate governance, corporate social responsibility, and institutional investors' conference. In addition, the Company regularly and irregularly announces the status of corporate governance implementation relating to finance and business affairs at the Company's website and TWSE's Market Observation Post System (MOPS) as required by law. 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) In addition, the Company has designated dedicated personnel (i.e. personnel under the IR Department) to be in charge of disclosing information on the Market Observation Post System (MOPS), and at the Company's website (in English, traditional Chinese, and simplified Chinese). The Company has also established the positions of spokesperson, acting spokesperson, and Investors Relations Department;</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			relevant matters have been announced and the spokesperson system implemented. The Company has also assembled or participated in institutional investors' 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 important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation	✓		(I) Implementation status of care for employees and their rights: The Company thinks human capital as an important asset. Expecting itself to care for employees and fulfill social responsibility, the Company has striven to provide employees with a safe and comfortable work environment that offers reasonable remunerations. For other information, refer to the Labor Relations section of this annual report. (II) Implementation status of investor	No significant difference.

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, and so on)?			<p>relations: The Company has set up the posts of spokesperson and acting spokesperson, a dedicated Investors Relations Department, and an official website in English and Chinese, provided contact information, disclosed operating performance at regular intervals, participated in institutional investors' conference, and dedicated to maintaining investor relations. (Tel:02-27015900 extension:2811; Company website: www.catcher-group.com; Email:IR@catcher-group.com).</p> <p>(III) Implementation status of supplier relations and customer policy: The Company has entered into a contract with customers and suppliers to protect mutual rights and obligations, and maintained 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</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>Weibo, so as to uphold their legal rights. 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) Status of directors' continuing education: The Company's directors all possess an industrial, professional background and operational and management experience; in addition, 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 status of risk management policy and risk evaluation standard: The Company</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>holds a Board of Directors meeting at least annually to monitor its operational and risk management; for more information, refer to the Risk Management section of this annual report.</p> <p>(VII) The Company has purchased related liability insurance for directors and managers.</p> <p>(VII) 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 work as required by law and will establish a system for each item based on company scale, future development, and the spirit of corporate governance. The Company is about to publish its sustainability report for 2021, which helps stakeholders understand the Company's governance operation and important information.</p>	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose				

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
priorities and measures for those not yet improved:				
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:				
(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 formatted its Corporate Governance Best Practice Principles to fulfill the spirit of corporate governance, thereby pursuing the optimal shareholders' equity and corporate sustainable management.				
(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 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.com.tw/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) Information on 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. Information on members of the Remuneration Committee

Position	Criteria Name	With at least five years of work experience and the following professional qualifications.			Whether qualifies for the criterion of independence (Note 1)										Number of concurrent duty as a Remuneration Committee member at a public company	Remarks
		An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college, or university .	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent director	Wen-che Tseng			V	V	V	V	V	V	V	V	V	V	V	3	None
Independent director	Tsung-chu Liang	V		V	V	V	V	V	V	V	V	V	V	V	0	None
Independent director	Ming-yang Cheng	V		V	V	V	V	V	V	V	V	V	V	V	0	None

Note 1: Please enter either director, independent director, or other for position.

Note 2: Please tick the corresponding boxes that apply to the members during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not A director or supervisor of the Company or any of its affiliates. However, this restriction does not apply to an independent director duly established in accordance with the Securities Exchange Act or local laws who concurrently serves as an independent director for a company and its parent company or subsidiary, or for subsidiaries belonging to the same parent company.
- (3) Not 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 that reaches one percent or more of the total number of issued shares of the Company or ranks among the top 10 in terms of shareholding.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under Subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act. However, this restriction does not apply to an independent director duly established in accordance with the Securities Exchange Act or local laws who concurrently serves as an independent director for a company and its parent company or subsidiary, or for subsidiaries belonging to the same parent company.
- (6) Not a director, supervisor, or employee of the Company or another company where a majority of seats or a majority of voting shares are controlled by the same person. However, this restriction does not apply to an independent director duly established in accordance with the Securities Exchange Act or local laws who concurrently serves as an independent director for a company and its parent company or subsidiary, or for subsidiaries belonging to the same parent company.
- (7) Not a director, supervisor, or employee of another company who is also the Company's chairperson, president, or a person holding an equivalent post, or their spouse. However, this restriction does not apply to an independent director duly established in accordance with the Securities Exchange Act or local laws who concurrently serves as an independent director for a company and its parent company or subsidiary, or for subsidiaries belonging to the same parent company.
- (8) Not a director, supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. However, this restriction does not apply to a specified company or institution that holds no less than 20%, but no greater than 50%, of the Company's shares and is an independent director duly established in accordance with the Securities Exchange Act or local laws who concurrently serves as an independent director for the Company and its parent company or subsidiary, or for subsidiaries belonging to the same parent company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company over the past 2 years and has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof; however, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulation."
- (10) Circumstances specified in the various subparagraphs of Article 30 of the Company Act do not exist.

3. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three members.
- (2) Term of the incumbent Remuneration Committee: June 12, 2019 through June 11, 2022
- (3) The Remuneration Committee assembled 2 times between January 1 and December 31, 2011. The attendance of members is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Number of attendance rate (%) (B/A)	Remarks
Convener	Wen-che Tseng	2	0	100.00	Newly appointed on June 12, 2019
Committee member	Tsung-chu Liang	2	0	100.00	Newly appointed on June 12, 2019
Committee member	Ming-yang Cheng	2	0	100.00	Newly appointed on June 12, 2019
Other matters to be recorded: 一、 If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None. 二、 For the proposals by the Remuneration Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.					

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

Date	Motion content	Resolution
March 10, 2021	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 compensation and directors' remuneration. 3. To review and discuss the report on the 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.
August 6, 2021	1 The Company intends to distribute employee compensation for managers of 2020. 2 The Company intends to distribute remuneration for directors of 2020.	Approved and passed by all committee members and, as required, reported to the Board of Directors.

(V) Fulfillment of Sustainable Development; Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies; and Causes for Such Differences

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is the board of directors supervising the situation?	✓		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 (i.e., corporate social responsibility report), or the Risk Management section of this annual report.	No significant difference.
II. Has the Company set up a full-time (part-time) unit to promote corporate social responsibility, together with senior management authorized by the Board of Directors to handle related matters and report to the board on the handling of the matters?	✓		In 2014, the Company established the Corporate Social Responsibility Task Force,, which is now under the Talent Resources Division and a) executes corporate social responsibility (CSR) affairs such as formulating CSR performance criteria in conjunction with supporting departments, such as the Audit Office, Occupational Safety Office, Strategic Procurement Division, Sales and Marketing Division, IR Department, and Quality Assurance Department, so as to properly respond to stakeholders expectations in daily operations, and b)	No significant difference.

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			regularly reports to the Board of Directors on any implementation plans and implementation results of any material issues.	
<p>III. Environmental Issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p> <p>(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?</p> <p>(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?</p> <p>(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) Since 2009, our company has obtained ISO 14001 environmental management system certification, which is certified and renewed annually by a third party in accordance with ISO standards. Through the implementation of the management system, we have established an internal environmental management model to achieve the objectives of protecting the environment, avoiding risks, raising employees' environmental awareness and building a good corporate image, and fulfilling our corporate responsibility for environmental protection.</p> <p>(II) 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 one of the 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</p>	No significant difference.

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			<p>recycling economy and waste recovery and reuse methods, and gradually and effectively increased the use of recycled metals and raw materials.</p> <p>(III) 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 (CSR) Report. In addition, the Company has taken the initiative to conduct greenhouse gas inventory operations since 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.</p> <p>(IV) The Company has made statistics on greenhouse gas emissions, water consumption, and total weight of waste, based on which it has formulated the policy for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, and other waste management. For details, refer to Environment Common Good section of the</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:															
	Yes	No	Summary description																
			<p>sustainability report (i.e., corporate social responsibility report) of the most recent two years.</p> <p>The Company's quantification of greenhouse gas emissions includes direct emissions (Scope 1), indirect emissions (Scope 2), and all other indirect emissions that occur in the Company's value chain (Scope 3). Inventory of Scope 3 emissions currently covers only the emissions by commissioned diesel-powered transportation vehicles.</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>Total emissions</th></tr> </thead> <tbody> <tr> <td>2021</td><td>7,682.413</td><td>63,938.736</td><td>63.9811</td><td>71,685.1301</td></tr> <tr> <td>2020</td><td>8,422.931</td><td>64,399.495</td><td>- -</td><td>72,822.4260</td></tr> </tbody> </table> <p>※ Disclosure of Scope 3 emissions started from 2021.</p> <p>The Company has paid close attention to water and energy conservation. In terms of 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>	Year	Scope 1	Scope 2	Scope 3	Total emissions	2021	7,682.413	63,938.736	63.9811	71,685.1301	2020	8,422.931	64,399.495	- -	72,822.4260	
Year	Scope 1	Scope 2	Scope 3	Total emissions															
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Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:																		
	Yes	No	Summary description																			
			<p>Water consumption in the past two years Unit: Metric tons</p> <table><tr><th>Year</th><th>Total water consumption</th></tr><tr><td>2021</td><td>1,327,796</td></tr><tr><td>2020</td><td>1,664,845</td></tr></table> <p>※ The water withdrawal quantity 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: Metric tons</p> <table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Total weight</th></tr><tr><td>2021</td><td>47.23</td><td>10976.876</td><td>11,024.106</td></tr><tr><td>2020</td><td>6.21</td><td>12950.770</td><td>13,657.150</td></tr></table>	Year	Total water consumption	2021	1,327,796	2020	1,664,845	Year	Hazardous waste	Non-hazardous waste	Total weight	2021	47.23	10976.876	11,024.106	2020	6.21	12950.770	13,657.150	
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2020	6.21	12950.770	13,657.150																			
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights? (II) Has the Company formulated and implemented	✓ ✓		(I) 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	No significant difference.																		

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
<p>reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?</p> <p>(III) Does the Company provide employees with a safe and healthy working environment, and related education?</p> <p>(IV) Has the Company established an effective career development training program for employees?</p> <p>(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?</p> <p>(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>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 improvement by tracking it, so as to build a friendly work environment.</p> <p>(II) The Company offers diversified employee benefits measures to retain talents; as such, staff can dedicate themselves to work, continually progress, and reach a body-mind-spirit balance. 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.)</p> <p>(III) 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</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			<p>well as control of human-factor engineering hazards such as fire, dust, and noise. In addition, 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; trainings on and dissemination of work safety and health knowledge are provided, so as to create a safer and healthier work environment.</p> <p>(IV) 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.</p> <p>(V) Upholding the philosophy of ethical management, the Company has followed relevant laws, regulations, and international</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			<p>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 is addressed swiftly to protect the Company's goodwill and prevent recurrence of similar problems.</p> <p>(VI) 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 three important suppliers in 2021 and will continue the audit work annually.</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
V. Does the Company reference international reporting standards or guidelines to prepare sustainability reports (e.g., corporate social responsibility report) that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?	✓		The Company's 2020 Corporate Social Responsibility (CSR) Report published in June 2021 disclosed non-financial information in accordance with the Global Reporting Initiative Standards, the latest international standard. Future CSR reports will also be prepared in accordance with international reporting standards. The said CSR 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.	No significant difference.
<p>VI. If the Company has its own corporate social responsibility best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between its own principles and the state of implementation:</p> <p>As early as 2014, the Company referenced international standards (e.g., 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 Corporate Social Responsibility 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 conducive to understanding the implementation of corporate social responsibility:</p> <p>The Company established the Corporate Social Responsibility Task Force responsible for compiling the sustainability report (i.e., corporate social responsibility report). The Corporate Social Responsibility Report for each year from 2014 to 2020 were published and posted on the Company's external website for stakeholders to view; the Corporate Social Responsibility Report for 2021 is under preparation. Through the preparation and discussion process in compiling each year's report, the Company expects to link corporate social responsibility issues to key performance indicators (KPIs) formulated by each department, so that they can further formulate implementation strategies that would meet the KPIs, thereby fulfilling the Company's economic, social, and environmental visions.</p>				

(VI) The Company's implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:

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

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
<p>I. Formulate ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Has the Company established mechanism for evaluating the risk of unethical conduct, regularly analyzed and evaluated the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</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 Board of Directors members and top management 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 (i.e., corporate social responsibility 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,</p>	No significant difference.

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
(III) Has the Company specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as reviewed and amended it at regular intervals?			<p>improper donation or sponsorship, and 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 disseminate such policy through various channels and demands that employees sign a 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>	

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
<p>II. The implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct, and the state of monitoring and implementation of such policy and plan?</p> <p>(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and carry out the implementation?</p> <p>(IV) Does Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and have the internal audit unit draw up relevant audit plans based on the evaluation results of risk of unethical conduct and audit the compliance with the plan to prevent unethical conduct, or entrust a CPA to perform the audit?</p> <p>(V) Does the Company regularly organize internal and external education and 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 also reports to the Board of Directors on the status of annual implementation and operation at regular intervals.</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,</p>	No significant difference.

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
			<p>through an internal audit.</p> <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. The coverage rate of such training course among employees is 100%. For in-service employees, the Company either holds internal training courses on ethical management for them, or dispatch them to attend external trainings.</p>	

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
<p>III. The operation of the Company's whistleblower reporting system</p> <p>(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?</p> <p>(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?</p> <p>(III) Does Company take measures to protect whistleblowers from being improperly treated due to reporting?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has formulated the Whistleblowing Regulations, which specifies a convenient and accessible complaint and whistleblowing channel.</p> <p>External : http://www.catcher.com.tw/tw/company_contact.aspx</p> <p>Internal: http://www1.catcher.com.tw/wp-content/uploads/2022/01/Employee opinion channel.pdf</p> <p>After acceptance of a complaint case, the dedicated unit should assign a dedicated person to address the follow-up measures to the principal. In terms of suppliers, the Company makes available a suppliers whistleblowing channel, from which the Company's Audit Office accepts a case and commences investigation.</p> <p>(II) The Company's Whistleblowing Regulations specifies the operating procedures of the whistleblowing system:</p> <p>I. 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</p>	No significant difference.

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
			<p>disciplinary action.</p> <p>II. 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 accused party's name or other information sufficient to distinguish his/her identifying features.</p> <p>(3) Specific facts available for investigation.</p> <p>III. The Company's personnel handling the reported matters shall keep the identity of the whistleblower and the reported content confidential.</p> <p>(III) In summary, to avert the scenario that the whistleblower is improperly disciplined or treated, the Company stipulates in Article 4 of the Whistleblowing Regulations and the Operating Procedures for Employee Complaints and Suggestion that (a) the whistleblower not be subject to dismissal, job transfer, or any unreasonable disciplinary action for his/her report, and (b) the Company take active measures to prevent the whistleblower from being harmed or suffering a revenge by any party.</p>	

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
IV. Enhance Information Disclosure (I) Does the Company disclose the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	✓		(I) The content of ethical management policy and the implementation results thereof have been disclosed in this annual report and the sustainability report (i.e., corporate social responsibility 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. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between its own principles and the state of implementation: No.				
VI. Other important information that conducive to understanding the implementation of ethical corporate management (e.g., the Company's review or revision of its own ethical corporate management best practice principles): <ol style="list-style-type: none"> 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 				

<u>Evaluation Items</u>	The State of Operation			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	<u>Yes</u>	<u>No</u>	<u>Summary description</u>	
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 the Corporate Governance Best Practice Principles and related rules, it shall disclose the query methods:

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

(VIII) Other important information conducive to understanding the operations of corporate governance may be disclosed:

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) State of implementation of the internal control system:

1. Statement of internal control :

Catcher Technology Co., Ltd. Statement of internal control system

Date: February 24, 2022

The Company states the following for its 2021 internal control system based on the results of self-evaluation:

I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance, and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.

II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria for the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. information and communication, and 5. monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.

IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its 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 December 31, 2021 (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 will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.

VII. This statement was approved by the Company's Board of Directors on February 24, 2022. 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.

Chairperson: Shui-shu Hung

President: Tien-tzu Hung



2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable.

(X) . If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI) Important resolutions of the shareholder meeting and board meeting during the most recent year and during the current year up to the date of publication of the annual report:

1. Shareholders' meeting

Date	Name	Motion content	Resolution results/implementation
August 27, 2021	2021 General Shareholders Meeting	<p>◎The Company's Business Report and Financial Statements for 2020</p> <p>◎ Earnings distribution proposal for 2020.</p> <p>◎ To raise working capital, the Company intends to issue common shares or participates in issuing global depository receipts.</p>	<p>I. Adoption of the Company's Business Report and Financial Statements for 2020. State of execution: Approved and passed.</p> <p>II. Adoption of the earnings distribution proposal for 2020. State of execution: Distributed NT\$12 cash dividends to each share. Set September 6, 2021 as the ex-dividend date, and September 30, 2021 as the cash dividend distribution date.</p> <p>III. Discussion about the Company's intension to issue common shares or participate in issuing global depository receipts to raise working capital. State of execution: Not executed.</p>

2. Board of Directors meeting

Date	Important motion contents	Resolution results/implementation
March 10, 2021	<p>◎The Company intends to distribute remuneration to employees and directors of 2020.</p> <p>◎The Company's individual financial statements and consolidated financial statements for 2020.</p> <p>◎The Company's 2020 Business Report</p> <p>◎To assess the Company's payment and structure of remunerations and salary for directors and managers.</p> <p>◎The Company intends to inject capital to the subsidiary investee in</p>	<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</p>

Date	Important motion contents	Resolution results/implementation
	<p>Taiwan.</p> <p>◎The Company intends to invest in the subsidiary in Singapore by injecting capital to the investee in Cayman..</p> <p>◎The Company intends to donate to Catcher Educational Foundation;</p> <p>◎The Company's change of attesting CPAs.</p> <p>◎The Company's regular assessment of CPAS' independence.</p> <p>◎Establishment of the Company's Ethical Corporate Management Best Practice Principles.</p> <p>◎Affairs relating to convention of the 2021 annual general shareholders' meeting and to acceptance of shareholders' proposals.</p>	<p>donation was unanimously approved by all directors present, excluding the directors who recused themselves due to conflict of interest.</p>
April. 20, 2021	<p>◎The Company's earnings distribution proposal for 2020.</p> <p>◎ To raise working capital, the Company intends to issue common shares or participates in issuing global depository receipts.</p> <p>◎Additional motion on the causes for convening the 2021 annual general shareholders' meeting.</p>	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p>
May 05, 2021	<p>◎ The Company's annual CPA attestation fee.</p> <p>◎ The Company intends to set up the post of Chief Corporate Governance Officer.</p>	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p>
August 6, 2021	<p>◎The Company intends to set a different date and venue for the 2021 annual general shareholders' meeting.</p> <p>◎The Company intends to set the base date for distribution of cash dividends.</p> <p>◎The Company intends to distribute employee compensation for managers of 2020.</p> <p>◎The Company intends to distribute remuneration for directors of 2020.</p> <p>◎The Company intends to formulate its Corporate Governance Best Practice Principles.</p> <p>◎The Company intends to donate to Catcher Educational Foundation;</p>	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p>
August 27, 2021	<p>◎ The Company intends to incorporate a subsidiary in Taiwan via investment.</p>	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p>
September. 16, 2021	<p>◎The Company intends to buy its shares back.</p>	<p>Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.</p>

Date	Important motion contents	Resolution results/implementation
November 8, 2021	©The Company's earnings distribution proposal for the first half of 2021. ©The Company's business plan for 2022.	Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.
November 10, 2021	©The Group's subsidiaries LYRA INTERNATIONAL CO., LTD. and CYGNUS INTERNATIONAL CO., LTD. intend to dispose 100% shares of TOPO Technology (Suzhou) and Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Motions for discussion were all approved by directors present through a resolution; there were no other motions or extempore motions.

(XII) During the most recent year or during the current year up to the date of publication of the annual report, if directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIII) 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, and R&D officer who are related to the financial statements: None.

IV. Information on CPA professional fees

(I) If the amount of non-audit fee paid to the attesting CPA, its firm and affiliates is more than one-fourth of the audit fee, the amount of audit and non-audit fee and the content of non-audit service should be disclosed.

Unit: In Thousands of New Taiwan Dollars

CPA firm	CPA name	CPA audit period	Audit fee	Non-audit fee					Remarks
				System design	Business registration	Human resources	Others (Note)	Subtotal	
Deloitte & Touche Taiwan	CPAs: Hung-ju Liao; Chi-chen Li	January 1, 2021~ December 31, 2021	5,600	-	-	-	6,009	11,609	

Note: Mainly the service fee for transfer pricing reports.

- (II) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons:**Not applicable.
- (III) Where the audit fee has decreased by 15% or more from the previous year, the amount, percentage and reason for the decrease in the audit fee should be disclosed:** Not applicable.

V. Information on change of CPA

Not applicable.

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 Company consults its stock affairs agent to ensure that the attesting CPA does not hold any of the Company's shares.
- (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. Any equity transfer or change in equity pledge by a director, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report

1. Changes in equity

Data as at February 28, 2022

Title	Name	2021		As at the current year up to February 28	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson	Shui-shu Hung	0	0	0	0
President	Tien-tzu Hung	0	0	0	0
Corporate director	Yong Yu Investment Co., Ltd.	0	0	0	0
Representative of corporate director	Shui-sung Hung	0	0	0	0
Director	Meng-huan Lei	0	0	0	0
Independent director	Wen-che Tseng	0	0	0	0
Independent director	Tsung-chu Liang	0	0	0	0
Independent director	Ming-yang Cheng	0	0	0	0
Vice president	Tang-lung Hsu	0	0	0	0
Vice president	Hsu-yuan Li	0	0	0	0
Vice president	Shih-te Huang	0	0	0	0
Special assistant to the Chairperson Office	Wen-chung Yeh	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	Mei-hsing Chen	0	0	0	0
Senior associate vice president	I-fang Feng	0	0	0	0
Associate vice president	Chih-Hsing Lin	0	0	0	0
Associate vice president	Hung-ying Li	0	0	0	0

2. Equity transfer: None.

3. Equity pledged: None.

IX. Information on the top ten 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 10 largest shareholders in terms of shareholding ratio

Base date: September 6, 2021

Name	Shareholding by the individual		Shareholding of spouse and underage children		Shares held in the name of other persons		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
			Shareholding		Combined shareholding				
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (or Name)	Relationship	
The Banking Department of Standard Chartered acting as the custodian of the investment account of Quebec Depository Investment Fund	29,804,805	3.9%	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	22,629,000	3.0%	-	-	-	-	-	-	-
Kelly Investment Co., Ltd.	18,609,869	2.4%	-	-	-	-	-	-	-
Chen-mei Lin	18,409,961	2.4%	-	-	10,704,834	1.41%	Shui-s hu Hung	Second-degr ee relative	-
Su-mei Kuo	15,364,013	2.0%	-	-	10,661,889	1.40%-	Tien-t zu Hung	Second-degr ee relative	-
Citibank Taiwan acting as the custodian of the investment account of the Singapore government	13,885,959	1.8%	-	-	-	-	-	-	-
HSBC acting the custodian of the Global Discovery Fund of the Franklin Mutual Series	13,524,000	1.8%	-	-	-	-	-	-	-
Taiwan Cooperative Bank	13,321,000	1.8%	-	-	-	-	-	-	-
Shui-shu Hung	10,704,834	1.4%	-	-	18,409,961	2.42%	Chen-mei Lin	Second-degr ee relative	-
Nan Shan Life Insurance Company, Ltd.	10,690,000	1.4%	-	-	-	-	-	-	-

Note: 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 Status

I. Capital and shares

(I) Source of share capital

1. Type of shares

Unit: 1,000 shares

February 28, 2022

Type of equity	Authorized capital stock			Remarks
	Shares issued and outstanding (Note)	Unissued shares	Total	
Registered common shares	729,753	270,247	1,000,000	Listed shares

2. Source of share capital

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

Date	Issuance price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Use of assets other than cash for the share amount	Others
Nov. 1984	1,000	2	2,000	2	2,000	Incorporation of NT\$2,000 thousand	None	None
Jun. 1986	1,000	5	5,000	5	5,000	Follow-on offering of NT\$3,000 thousand	None	None
Jun. 1990	1,000	15	15,000	15	15,000	Follow-on offering of NT\$10,000 thousand	None	None
Jan. 1992	1,000	25	25,000	25	25,000	Follow-on offering of NT\$10,000 thousand	None	None
Jun. 1994	1,000	40	40,000	40	40,000	Follow-on offering of NT\$15,000 thousand	None	None
Jun. 1996	—	80	80,000	80	80,000	Recapitalization of earnings NT\$20,000 thousand Recapitalization of capital surplus NT\$20,000 thousand	None	Note 1
Apr. 1997	36	30,000	300,000	16,000	160,000	Follow-on offering of NT\$80,000 thousand	None	Note 2
Jun. 1997	—	30,000	300,000	19,200	192,000	Recapitalization of earnings of NT\$32,000 thousand	None	Note 3
Dec. 1998	—	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

May 1999	50	70,000	700,000	48,054.2	480,542	Follow-on offering 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
Feb. 2000	165	70,000	700,000	56,054.2	560,542	Follow-on offering of NT\$80,000 thousand	None	Note 6
Jun. 2000	—	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
Sep. 2001	—	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
Jan. 2002	—	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
Sep. 2003	—	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
Sep. 2004	—	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
Mar. 2005	—	270,000	2,700,000	188,146.9	1,881,469	Conversion of Euroconvertible bonds of NT\$4,881 thousand	None	Note 12
Jul. 2005	—	270,000	2,700,000	199,763.6	1,997,636	Conversion of Euroconvertible bonds of NT\$116,167 thousand	None	Note 13
Sep. 2005	—	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 29,740 thousand) Conversion of Euroconvertible bonds of NT\$41,652 thousand	None	Note 14
Feb. 2006	—	570,000	5,700,000	283,723.7	2,837,237	Conversion of Euroconvertible bonds of NT\$15,621 thousand	None	Note 15
Apr. 2006	—	570,000	5,700,000	293,644.4	2,936,444	Conversion of Euroconvertible bonds of NT\$99,208 thousand	None	Note 16
Jul. 2006	—	570,000	5,700,000	294,603.6	2,946,036	Conversion of Euroconvertible bonds of NT\$9,591 thousand	None	Note 17
Sep. 2006	—	570,000	5,700,000	414,076.5	4,140,765	Recapitalization of earnings of NT\$1,194,729 thousand (including employee bonus in the amount of NT\$25,000 thousand)	None	Note 18

Nov. 2006	—	570,000	5,700,000	414,136.4	4,141,364	Conversion of Euroconvertible bonds of NT\$599 thousand	None	Note 19
Mar. 2007	—	570,000	5,700,000	414,147.5	4,141,475	Conversion of Euroconvertible bonds of NT\$110 thousand	None	Note 20
Oct. 2007	—	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
Nov. 2008	—	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
Sep. 2009	—	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
May 2011	—	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
Jun. 2011	—	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
Oct. 2011	—	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
Feb. 2012	—	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
Apr. 2012	—	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
May 2012	—	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
Aug. 2012	—	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

Apr. 2014	—	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
Aug. 2014	—	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
Nov. 2014	—	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
Mar. 2015	—	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
Aug. 2020	—	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
Feb. 2022	—	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
Feb. 2022	—	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

Note 1: Approval document code: Jian-San-Ji No. 215114 dated August 16, 1996

2: Approval document code: Jien-San (86) No. 107326 dated May 27, 1997

3: Approval document code: Jien-San (86) No. 116009 dated August 28, 1997

4: Approval document code: Tai-Cai (87) No.98840 dated November 26, 1998

5: Approval document code: Tai-Cai (88) (I) No.30979 dated April 6, 1999

6: Approval document code: Tai-Cai (88) (I) No.101893 dated December 9, 1999

7: Approval document code: Tai-Cai (89) (I) No. 42070 dated May 16, 2000

8: Approval document code: Tai-Cai (90) (I) No. 144155 dated July 11, 2001

9: Approval document code: Tai-Cai (I) No. 0910134316 dated June 25, 2002

10: Approval document code: Tai-Cai (I) No. 0920126413 dated June 16, 2003

11: Approval document code: Tai-Cai (I) No. 0930126017 dated June 11, 2004

12: Approval document code: Jing-Shu-San No. 09401045320 dated March 21, 2005

13: Approval document code: Jing-Shu-San No. 09401139810 dated July 21, 2005

14: Approval document code: Jing-Shu-San No. 09401177590 dated September 8, 2005

15: Approval document code: Jing-Shu-San No. 09501027910 dated February 16, 2006

16: Approval document code: Jing-Shu-San No. 09501075300 dated April 25, 2006

17: Approval document code: Jing-Shu-San No. 09501159860 dated July 26, 2006

18: Approval document code: Jing-Shu-San No. 09501206950 dated September 12, 2006

19: Approval document code: Jing-Shu-San No. 09501247950 dated November 3, 2006

20: Approval document code: Jing-Shu-San No. 09601045320 dated March 6, 2007

21: Approval document code: Jing-Shu-San No. 09601242380 dated October 3, 2007

22: Approval document code: Jing-Shu-San No. 09701278820 dated November 3, 2008

23: Approval document code: Jing-Shu-San No. 09801230170 dated October 7, 2009

24: Approval document code: Jing-Shu-San No. 10001087800 dated May 2, 2011

25: Approval document code: Jing-Shu-San No. 10001133750 dated June 28, 2011

26: Approval document code: Jing-Shu-San No. 10001246030 dated October 26, 2011

27: Approval document code: Jing-Shu-San No. 10101015910 dated February 2, 2012

28: Approval document code: Jing-Shu-San No. 10101056300 dated April 2, 2012

29: Approval document code: Jing-Shu-San No. 10101093520 dated May 25, 2012

30: Approval document code: Jing-Shu-San No. 10101169120 dated August 16, 2012

31: Approval document code: Jing-Shu-San No. 10301090650 dated May 21, 2014

32: Approval document code: Jing-Shu-San No. 10301184600 dated September 4, 2014

33: Approval document code: Jing-Shu-San No. 10301248990 dated December 3, 2014

34: Approval document code: Jing-Shu-San No. 10401061390 dated April 21, 2015

35: Approval document code: Jing-Shu-San No. 10901133690 dated August 12, 2020

36: Modified the registration base date to February 28, 2022; registration modification is currently under process.

3. Shelf registration information: None.

(II) Shareholder structure

Face value of NT\$10; the nearest book closure date: September 6, 2021

Shareholder structure Quantity	Government agencies	Financial institutions	Other legal persons	Foreign institutions and foreigners	Individuals	Treasure shares	Total
Number of people	0	38	273	892	60,356	1	61,560
Number of shares held	0	93,739,373	50,822,250	352,208,724	264,847,721	1	761,618,069
Shareholding percentage %	0.00%	12.31%	6.67%	46.25%	34.77%	0.00%	100.00%

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

(III) Share ownership diversification

1. Changes in common share ownership:

The nearest book closure date: September 6, 2021

Shareholding tier	Number of shareholders	Number of shares held	Shareholding percentage %
1-999	11,391	2,222,145	0.29%
1,000-5,000	42,451	79,176,031	10.40%
5,001-10,000	4,161	32,463,640	4.26%
10,001-15,000	1,221	15,668,087	2.06%
15,001-20,000	631	11,622,149	1.53%
20,001-30,000	523	13,264,356	1.74%
30,001-40,000	246	8,771,844	1.15%
40,001-50,000	152	6,974,849	0.92%
50,001-100,000	293	21,108,176	2.77%
100,001-200,000	176	24,352,902	3.20%
200,001-400,000	112	31,649,648	4.16%
400,001-600,000	38	18,550,496	2.44%
600,001-800,000	30	21,014,604	2.76%
800,001-1,000,000	31	27,527,799	3.61%
1,000,001 股以上	104	447,251,343	58.71%
Total	61,560	761,618,069	100.00%

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

2. Changes in preferred share ownership: N/A.

(IV) Name of major shareholder

Unit: shares; %

September 6, 2021

<div> <div>shares</div> <div>Name of major shareholder</div> </div>	Number of shares held	Shareholding percentage
The Banking Department of Standard Chartered acting as the custodian of the investment account of Quebec Depository Investment Fund	29,804,805	3.9%
Cathay Life Insurance Co., Ltd.	22,629,000	3.0%
Kelly Investment Co., Ltd.	18,609,869	2.4%
Chen-mei Lin	18,409,961	2.4%
Su-mei Kuo	15,364,013	2.0%
Citibank Taiwan acting as the custodian of the investment account of the Singapore government	13,885,959	1.8%
HSBC acting the custodian of the Global Discovery Fund of the Franklin Mutual Series	13,524,000	1.8%
Taiwan Cooperative Bank	13,321,000	1.8%
Shui-shu Hung	10,704,834	1.4%
Nan Shan Life Insurance Company, Ltd.	10,690,000	1.4%

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

I. Market price per share, net worth, earnings, dividends, and related information

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

Item		Year	2020	2021	Up to February 28, 2022
Market price per share	High		265.50	218.00	164.00
	Low		173.00	147.00	143.00
	Average		211.23	185.13	155.37
Net worth per share	Before distribution		207.42	198.76	(Note 1)
	After distribution		194.79	(Note 2)	(Note 1)
Earnings per share	Weighted average number of shares		764,102	758,241	(Note 1)
	Earnings per share		27.65	11.31	(Note 1)
Dividends per share	Cash dividends		12.0	(Note 2)	(Note 1)
	Stock dividends	Stock dividends from earnings	0	(Note 2)	(Note 1)
		Capital surplus distributed as dividends	-	-	(Note 1)
	Accumulated unpaid dividends		-	-	(Note 1)
Investment return analysis	PE ratio (Note 3)		7.64		(Note 1)
	Cost to profit ratio (Note 4)		17.60	(Note 2)	(Note 1)
	Cash dividend yield (%) (Note 5)		5.68	(Note 2)	(Note 1)

Note 1: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2022 that have been reviewed by an independent auditor was not available.

Note 2: As of the publication date of this annual report, the shareholders' meeting had yet to approve the earnings distribution proposal for 2021. Related information can be accessed via multiple channels such as the Market Observation Post System (MOPS) after the convention of the shareholders' meeting.

Note 3: PE ratio = average closing price/earnings per share of the current year.

Note 4: Cost to profit ratio = average closing price of each share in the current year/cash dividend per share.

Note 5: Cash dividend yield = cash dividend per share/average closing price of each share in the current year.

(VI) Dividend policy and implementation status

1. Dividend policy

The Company's earnings distribution or loss make-up shall be made at the end of a semi-annual fiscal period. Where earnings are available on the final account at the end of the first semi-annual fiscal period, they shall be used in the following order of priority:

1. Pay taxes and duties;
2. Compensate accumulated losses;
3. Distribute the estimated employee and director remuneration;
4. Set aside 10% as legal reserve; this may be exempted if the legal reserve has already reach the Company's paid-in capital.
5. Provide or reverse special reserves according to business or legal requirements.
6. 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. Where earnings are to be distributed in cash dividends, such distribution may be made only after being approved by the Board of Directors.

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. Pay taxes and duties;
2. Compensate accumulated losses;
3. Set aside 10% as legal reserve; this may be exempted if the legal reserve has already reach the Company's paid-in capital.
4. Provide or reverse special reserves according to business or legal requirements.
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 at its strategic transformation period. Considering this, as well as capital needs, financial soundness, shareholders' interest, and the Company's sustainable development, the Board of Directors will attach more importance to the stability and growth potential of dividends when drafting an earnings distribution proposal. 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, and the cash distribution amount shall not be less than 10% of the total distribution amount. However, share dividends may be distributed if the amount to be distributed in cash is less than NT\$0.5 per share.

The Company authorizes the Board of Directors to distribute the amount distributable as dividends or bonus as prescribed in Article 240, Paragraph 5 of the Company Act and all or part of the legal reserve or special reserve as prescribed in Article 241, Paragraph 1 of the Company Act in cash by a majority vote at a Board of Directors meeting attended by no less than two thirds of all directors, and to report to the shareholders' meeting afterwards.

2. Proposed dividend distribution by the 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.

3. Explanation provided when a significant change in dividend policy is expected:

None.

(VII) Impacts of Proposed Stock Dividends on the Company's Business Performance and Earnings per share (EPS): Not applicable

(VIII) Compensation to employees and remuneration to directors

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 difference.

3. Employee remuneration proposal passed 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.

The Company's Articles of Incorporation stipulates that the Company allocate no less than 1% of earnings as employee remuneration and no greater than 1% as director remuneration if earnings are available at the end of a fiscal year.

On February 24, 2022, the Company's Board of Directors passed the employee remuneration proposal and the director remuneration proposal for 2021, 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 (up to February 24, 2022)
	Amount(NT\$)
Employee remuneration (in cash)	521,975,566
Director remuneration (in cash)	16,400,000
Total	538,375,566

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 2020 approved by the annual general shareholders' meeting dated April 20, 2021 and actual distributed amount are stated as follows:

Unit: NT\$1,000; shares

Item	Amount resolved by the shareholders' meeting Amount actually distributed	Amount originally resolved by the Board of Directors Amount actually distributed	Differentials
I. 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	1,164,882,808	1,164,882,808	None
2. Remuneration for directors	15,522,831	15,522,831	None

(IX) Buyback of shares by the Company

February 28, 2022

Buyback trench	First trench
Planned share buybacks	
Date of Board resolution	March 17, 2020
Purpose of buyback	Uphold shareholders' interest
Planned buyback period	March 18, 2020 ~ May 17, 2020
Buyback price range	NT\$132.00 ~ NT\$354.20
Planned buyback quantity	25,000,000 shares
Ratio of planned buyback quantity to total issued shares	3.25%
Ceiling on buyback amount	NT\$ 6,000,000,000
Actual share buybacks	
Actual buyback period	March 19, 2020 ~ May 15, 2020
Actual buyback quantity	8,773,000 shares
Ratio of actual buyback quantity to total issued shares	1.14%
Amount of shares actually bought back	NT\$ 1,796,022,500
Average buyback price per share	NT\$ 204.72
Reason for non-completion of the current share buyback	To achieve the objective of securing shareholders' interests, share buyback was executed in separate batches at different price range depending on market condition. Therefore, the announced shares buyback plan was not fully executed. Modification of registration of such treasures shares bought back has been completed.

Buyback trench	Second trench
Planned share buybacks	
Date of Board resolution	September 16, 2021
Purpose of buyback	Uphold shareholders' interest
Planned buyback period	September 16, 2021 ~ November 15, 2021
Buyback price range	NT\$109.20 ~ NT\$256.80
Planned buyback quantity	25,000,000 shares
Ratio of planned buyback quantity to total issued shares	3.28%
Ceiling on buyback amount	NT\$ 4,600,000,000
Actual share buybacks	
Actual buyback period	September 22, 2021 ~ November 15, 2021
Actual buyback quantity	15,533,000 shares
Ratio of actual buyback quantity to total issued shares	2.04%
Amount of shares actually bought back	NT\$ 2,533,308,500
Average buyback price per share	NT\$ 163.09
Reason for non-completion of the current share buyback	To achieve the objective of securing shareholders' interests, share buyback was executed in separate batches at different price range depending on market condition. Therefore, the announced shares

	buyback plan was not fully executed. Modification of registration of such treasures shares bought back has not been completed.
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Buyback trench	Third trench
Planned share buybacks	
Date of Board resolution	December 8, 2021
Purpose of buyback	Uphold shareholders' interest
Planned buyback period	December 9, 2021 ~ February 8, 2022
Buyback price range	NT\$106.80 ~ NT\$238.50
Planned buyback quantity	25,000,000 shares
Ratio of planned buyback quantity to total issued shares	3.28%
Ceiling on buyback amount	NT\$ 4,330,000,000
Actual share buybacks	
Actual buyback period	December 10, 2021 ~ December 8, 2022
Actual buyback quantity	16,332,000 shares
Ratio of actual buyback quantity to total issued shares	2.14%
Amount of shares actually bought back	NT\$ 2,560,843,500
Average buyback price per share	NT\$ 156.80
Reason for non-completion of the current share buyback	To achieve the objective of securing shareholders' interests, share buyback was executed in separate batches at different price range depending on market condition. Therefore, the announced shares buyback plan was not fully executed. Modification of registration of such treasures shares bought back has not been completed.

II. Corporate bonds

(I) Corporate bonds: None.

(II) Convertible bonds: None.

(III) Exchangeable bonds: None.

(IV) Corporate bonds generally declared for issuance: None.

(V) Corporate bonds with stock options: None.

III. Preferred shares: None.

IV. Global depository receipts

<div> <div>Issuance date</div> <div>Item</div> </div>			June 8, 2011
Issuance date			June 8, 2011
Place of issue and trading			Euro MTF (EMTF)
Monetary amount of total shares issued			Raised about US\$220,028 thousand
Issuance price per unit			US\$32.84 (NT\$189 per share)
Total issued units			6,700,000 units
Source of the underlying securities			The Company's new issuance of common shares
number of the underlying securities represented			Total units of global depository receipts (GDR): 6,700,000 units (each unit of GDR represents 5 shares of the Company's common shares, totaling 33,500,000 shares of common shares)
Rights and obligations of GDR holder			Same as those of holders of the Company's common shares
Trustee			Not applicable
Depository institution			JPMorgan Chase
Custodian institution			JPMorgan Chase Bank, N.A., Taipei Branch
Balance of GDRs not redeemed			GDRs not redeemed stood at 400,801 units as of February 28, 2022.
Allocation of responsibility for expenses incurred through issuance and during the outstanding period			Issuance expenses: assumed by the issuing company Expenses incurred during the outstanding period: assumed by the issuing company
Important covenants stipulated in the depository contract and the custodian contract			Refer to the depository contract and the custodian contract for details
Market price per unit	2021	Highest	38.4
		Lowest	26.8
		Average	32.3
Market price per unit	As at the current year up to February 28, 2022	Highest	29.4
		Lowest	25.6
		Average	28.2

V. Issuance of employee stock options certificates and restricted shares:

None.

VI. Issuance of new shares in connection with mergers or acquisitions: None.

VII. Implementation of fund utilization plan: None.

Chapter 5. Operational Highlights

I. Business Activities

(I) Business Scope

1. Main areas of business operations

- (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: In Thousands of New Taiwan Dollars

Product lines	Net operating revenue for 2021	Revenue weight
Product sales revenue	41,031,606	99.85%
Others	63,373	0.15%
Total	41,094,979	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) Materials applications and heat/electricity/mechanism design of medical products.

(II) Industry Overview

1. Industry conditions and development; product trend

The development of the pandemic has accelerated the digital transformation of industry and life; as the world edges towards a 5G era, mobile devices that serve as the main vehicle become even more important. To respond to the development of 5G applications, each brand has a strong demand for high-speed data transmission (HDT) and high-performance computing (HPC), adding complexity to the design of the heat dissipation function and enclosure case/mechanism of mobile devices. Observing the various electronics applications, we see that manufacturers who mainly engage in mid- and high-end products usually gain a larger profit share; under such trend, an enclosure case made of high-end metals or composites (i.e., composites primarily made of high-end materials, supplemented by other materials) has become a required specification for mid- and high-end products. To meet customers' requirements for innovation, heat dissipation, and 5G specifications, enclosure case/mechanism manufacturers need to constantly develop new surface treatment technologies; That the design of an enclosure case is characterized by high customization and high complexity has brought more challenges and opportunities for mechanism manufacturers.

Meanwhile, as countries increasingly value issues related to climate change and zero carbon emissions, global sales of alternative fuel vehicles boomed, thanks to government subsidies, active development by car manufacturers, and the availability of technical solutions for the critical technology of charging equipment and battery performance. The International Energy Agency forecasts global electric vehicles to be 145 million by 2030, and the global penetration rate of electric vehicles to increase from 5% to 30% in a decade. In other words, one out of three cars will be electric in a decade. Recently the automotive market had an imbalanced supply and demand due to the pandemic and chip shortages. Despite so, under the guidance of mid- and long-term government policy, alternative fuel vehicles are expected to be forces driving the growth of the automotive market, and substantial changes will occur to

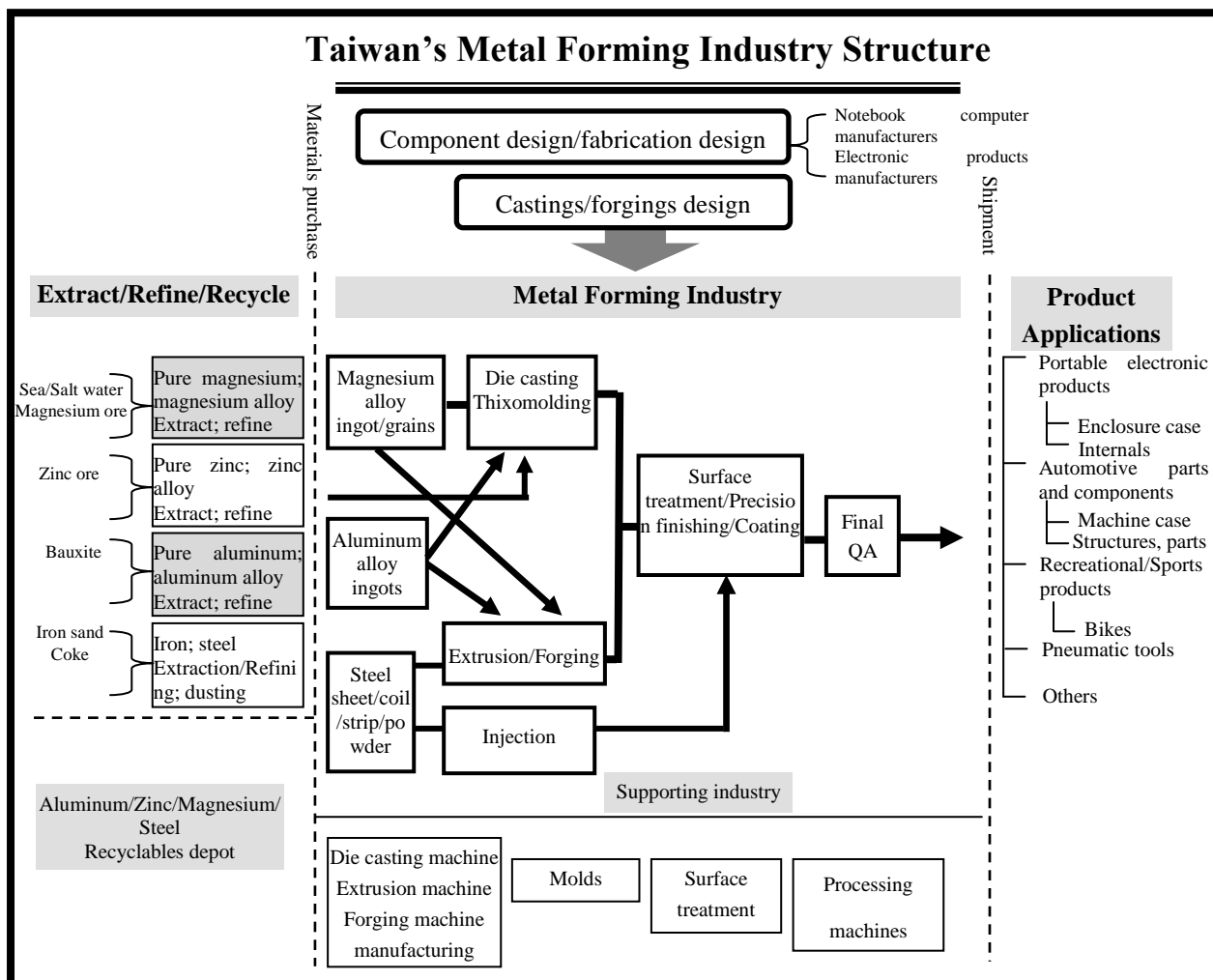
market structure, operational strategy, and competition patterns. The ecology of the automotive industry used to be relatively close. Now the complexity that comes with innovative technologies of alternative fuel vehicles and car electronization is expected to raise car manufacturers' demand for a pattern of division of labor that separates contract R&D from parts manufacturing.

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 a kind of green material, in that they can be fully recycled and reused, both during the production process and after the end of their product lifetime, and in doing so, lower the depletion of natural resources. Plus the enormous product quantities and corresponding production capacity demands, mechanisms can be developed in more diversified ways in terms of materials, technologies, and design.

The Industrial Technology Research Institute (ITRI) forecasts the global medical equipment market to reach USD 475.3 billion by 2022, and the compound annual growth rate for 2019-2022 to be 5.6%. After the outbreak of the COVID-19 pandemic, disposable minimally invasive devices are increasingly valued. The manufacturing of minimally invasive devices is characterized by high integration - in terms of materials used, it covers polymer plastics, chemicals, and metal hardware; in terms of manufacturing processes, it involves precision and optoelectronic manufacturers in the optoelectronics, electromechanical, mechanical processing, electronics, and semiconductors industries; in terms of final inspection, it needs to be verified against safety regulations, tested, and disinfected - making it an integrated industry that consolidates materials, precision manufacturing, and medical device manufacturers. The fast-growing minimally invasive industry and the highly integrated characteristic of minimally invasive devices provide a potential market for Taiwanese manufacturers, who are the powerhouses in the critical supply chain of the global manufacturing industry. Taiwan's industry has evolved from conventional manufacturing by the plastics and chemicals manufacturers in the early days to precision manufacturing by electronics and semiconductors manufacturers nowadays. If resources can be vertically integrated, technological requirements can be introduced, and the core competencies of existing cross-industry alliances can be consolidated, Taiwan will have a substantial advantage in developing high-end minimally invasive devices.

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:



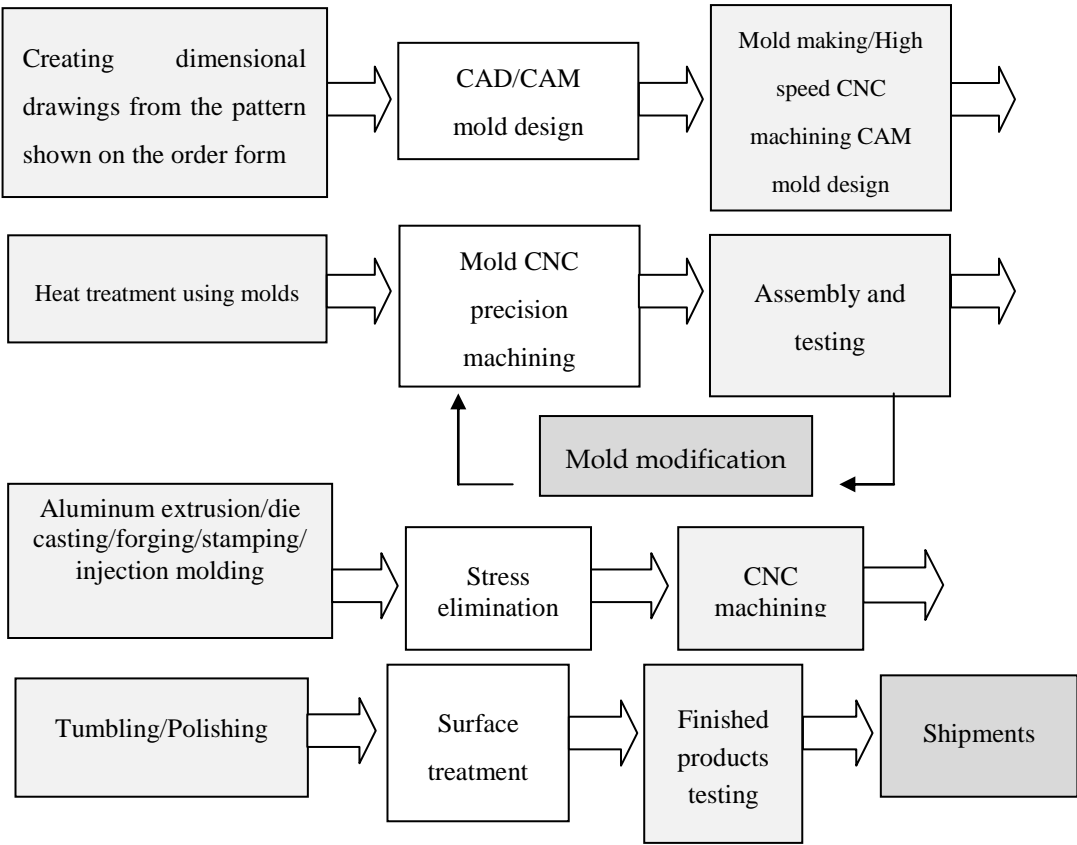
Data credit: Industrial Technology Research Institute (ITRI) IEK-ITIS Program; compiled by Catcher Technology

Metal alloy industry upstream:

Entities in the upstream mainly engage in the extraction of magnesium, aluminum, zinc, and iron ore. They provide metal injection molding services by using steel powders. The machinery they use, such as extrusion machines, die casting machines, stamping machines, and forging machines, is externally purchased. Not being an ore deposits region, Taiwan has a metal source that heavily relies on suppliers in neighboring countries such as China and Australia. The extraction and preparation of magnesium alloy in the world used to be dictated by a few companies, e.g., Dow Chemical of the U.S., U.S. Magnesium, American Magnesium Inc., and the Dead Sea. Nonetheless, China has been actively developing the business of preparation and extraction of magnesium raw materials in recent years, and has become the world's largest producer of magnesium raw materials. As such, the Company's magnesium alloy raw materials mainly come from China. As for aluminum alloy, China, Australia, and Dubai of the Middle East provide the Company with virgin aluminum ingots, which then undergo the continuous casting process performed by domestic suppliers into extrusion ingots, which are then made into forging by the Company. Forged stainless steel cloths are mainly supplied by domestic steel

producers such as Yieh United Steel Corporation (YUSCO).

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. Domestic producers in this category include Catcher, Foxconn, Casetek, Waffer, and Silitech. Midstream entities engaging in the manufacturing of alloy die casting enclosure cases and metallic unibody enclosure cases take orders for consumer products mainly from downstream entities to produce metal products tailored to customers’ needs. Major manufacturing processes are shown in the following schematic:



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. Compared with the automobile industry and the bike industry, it is the computer, communication, and consumer electronics industry that really sets off and leads 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 magnesium alloy, which is largely consumed by the notebook computer industry and the mobile phone industry, aluminum alloy, zinc alloy, and stainless steel materials also play an important role in the manufacturing and development of portable products. Over the past years, wearable devices have constantly gained their presence. Being a micro electronic

device worn on the body to do activities outside home, a wearable device made of metal materials, which has an unibody feature and an exceptional texture, is extremely popular with designers and consumers.

3. Market Competition

Main competitors are listed in the table below:

Company name	Main business line	Main competitive products	Note
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, metal product surface treatment, and electronic components wholesale	Magnesium alloys and other 3C (computer, communication, and consumer electronics) mechanism products	Public company
Foxconn Technology Co., Ltd.	Processing, manufacturing, and sale 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, ironware stamping, magnesium-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	A mobile phone manufacturer engaging in manufacturing and sale of mobile phone components (mainly including mobile phone enclosure casings and mobile phone keyboards)	3C (computer, communication, and consumer electronics) mechanism products made of aluminum alloy	Public company

(III) Technology and R&D Overview

1. R&D expense for the most recent year

Year	Group consolidated amount for 2021
R&D expense	NT\$ 1,682,336 thousand

2. Products or technology successfully developed

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

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

(VI) Short- and Long-term Development Plans

In the short run, a bulk of mechanism manufacturers' revenue will still come from notebook computers and tablet computers, which, aside from having a market scale, have a tendency for diversification, compactness, and fashionable design. A design featuring metallic materials also prevails in the high-end market. As such, Catcher sets its short-term objectives as increasing shipments and value. In addition, in 2020, the Company successfully became the supplier of globally renowned alternative fuel brand customers, officially tapping into the alternative fuel vehicle industry. Such a novel growth momentum is expected to balance the Company's revenue concentration and fluctuation associated with the sale of consumer electronics.

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 the technological advantages, Catcher resolves to transform. Aside from maintaining organic growth internally, it will leverage its immense resources accumulated over the years to pursue opportunities at home and abroad for investment and M&A that would facilitate long-term development, so as to diversify its own portfolio and thereby have these new fields become the pillars of development after its transformation. Catcher expects itself to achieve sustainable management goals exceptional by industry-standard by tapping into new markets and fields, launching new products, winning new customers, and obtaining new growth momentum by leveraging its own immense capital clout.

II. Market and Sales Overview

(I) Market Analysis

1. Sales (Service) Region

Unit: In Thousands of New Taiwan Dollars

Item		2021		2020	
		Net sales	Percentage (%)	Net sales	Percentage (%)
Domestic sale		1,137,484	2.77%	1,102,480	1.34%
Export	Asia	33,984,797	82.70%	35,526,244	43.06%
	Americas	5,970,641	14.53%	48,875,935	55.60%
	Others	2,057	0.00%	1,373	0.00%
Export		39,957,495	97.23%	81,403,552	98.66%
Total net sales		41,094,979	100.00%	82,506,032	100.00%

2. Market shares

A bulk of the Taiwan market for metal enclosure cases is dominated by a few larger manufacturers. As for the fields of magnesium-aluminum die casting, aluminum and SUS unibody molding, and hybrid carbon-glass fibers, they have exceptionally high entry barriers, mainly because they require advanced technologies, mass production capacity, and vertical integration. Newcomers and other manufacturers are relatively small in terms of production scale, lack the experience and technologies required for mass production, and so possess a limited impact on the Company in the short run. The past few years have seen an increase in notebook computers adopting a high-end metal enclosure case or hybrid models comprising mainly metals, an opportunity for large manufacturers to grow in this field. Currently, at least 80% of shipments in the industry are made by a few large manufacturers. Among them, Catcher is the only one in the metal enclosure case industry that possesses a comprehensive range of manufacturing process technologies, customization capability, and innovative design capability - that's why international brands have awarded it certification and orders. Such concrete achievements are evidence that Catcher has become one of the world's leading manufacturers of metal enclosure cases.

3. Future market supply, demand, and growth

Catcher's development will focus on notebook computers, tablet computers, wearable devices, 5G applications, alternative fuel vehicles/automotive parts and components, and healthcare technology.

In terms of notebook computers, global demands for them have boomed due to the rise of online learning and the work-from-home pattern that are attributable to the development of the pandemic. The statistics of International Data Corporation indicated that global shipments of personal computers (including desktop computers, notebook computers, and workstations) reached 348.8 million units in 2021, an increase of 14.8% year on year and a record high since 2012, and that the shipment of notebook computers could reach double-digit growth. The Market Intelligence & Consulting Institute (MIC) also estimated global shipments of notebook computers to reach 238 million units in 2021, an increase of 18.6% year on year. MIC forecasts global shipments of notebook computers to reach 230 million units in 2022, mainly due to the emergence of mixed working modes, the commercial demands that come with enterprises returning to offices, and the deferred effect arising from the short supply of materials in the supply chain. Meanwhile, brands are also improving the specifications of mid- and high-end products. Consequently, the penetration rate of high-end metallic enclosure cases and enclosure cases featuring a hybrid design constantly rises, generating demands for innovation that could underpin Catcher's shifting its development to high-end, distinctive, and differentiated products and technologies.

The slowdown of demands for consumption and education in 2021 has posed challenges to the tablet computers business, especially when compared with last year's double-digit growth. Still, the global tablet computer market in the second quarter is observed to have a YoY growth. According to International Data

Corporation (IDC) data, global shipments of tablet computers reached 40.40 million units in the second quarter, a YoY growth of 3.9%, and 80.35 million units in the first half year, a YoY increase of 24.4%. With the pandemic being controlled and lockdown in various regions being gradually lifted, people are expected to gradually change their consumption patterns. Coupled with supply chain shortages, market research institutes forecasts that the tablet computers market in 2022 will fall slightly, but that opportunities for tablet computers abound in the education market, especially in emerging countries, mainly due to the transformation of the education field driven by the rapid growth of online learning. Because portable mobile devices like tablet computers require strength for product materials and major customers' market standing is secure, Catcher is likely to maintain its core competitive advantages in terms of materials application, precision manufacturing, and surface treatment, and tablet computers will remain an important source of revenue for it.

In terms of alternative fuel vehicles, their sales continuously grow, thanks to governments' announcing their goals for energy conservation and carbon reduction and launching corresponding policies, subsidies, and incentives in recent years, and to the advance in critical technologies pertaining to batter endurance and batteries of electric vehicles. According to a report by Canalys, a research institute, global sales of electric vehicles in 2021 reached 6.5 million units, an increase that was 109% over the 2020 level and extremely higher than the sales growth of the general car market of 4%. The Industrial Technology Research Institute (ITRI) forecasts global sales of electric vehicles in 2022 to reach 12.89 million units, accounting for 14.3% of total vehicle sales. IEA also forecasts the number of electric vehicles, buses, trucks, and heavy-duty trucks running on the road in 2030 to reach 145 million units, representing a compound annual growth rate of roughly 30%. With policy guidance in various countries and increasing consumer acceptance, alternative fuel vehicles are expected to compose the largest industry in the world, which in turn will generate immense demands for interior and exterior accessories and mechanisms that are made of a combination of materials. As a world-class leading mechanism supplier, Catcher has been focused on manufacturing consumer electronics, and performed well in terms of cost control and capabilities of design, automation, mass production, and yield. This is helpful for Catcher to tap into the automotive market and outperform competitors. In the long run, tapping into the automotive market is expected to balance the Company's portfolio of operating revenue and enhance growth momentum.

The Industrial Technology Research Institute (ITRI) forecasts the global medical equipment market to reach USD 475.3 billion by 2022, and the compound annual growth rate for 2019-2022 to be 5.6%. After the outbreak of the COVID-19 pandemic, disposable minimally invasive devices are increasingly valued. The manufacturing of minimally invasive devices is characterized by high integration - in terms of materials used, it covers polymer plastics, chemicals, and metal hardware; in terms of manufacturing processes, it involves precision and optoelectronic manufacturers in the optoelectronics, electromechanical, mechanical processing, electronics, and semiconductors industries; in terms of final inspection, it needs to be verified against safety regulations, tested, and disinfected - making it an integrated industry that consolidates materials, precision manufacturing, and medical device manufacturers. The fast-growing

minimally invasive industry and the highly integrated characteristic of minimally invasive devices provide a potential market for Taiwanese manufacturers, who are the powerhouses in the critical supply chain of the global manufacturing industry. 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 resources can be vertically integrated, technological requirements can be introduced, and the core competencies of existing cross-industry alliances can be consolidated, Taiwan will have a substantial advantage in developing high-end minimally invasive devices.

In 2020, Catcher officially branched out into the non-consumer electronics industry. In 2021, the Company extended its development focus from notebook computers, tablet computers, and wearable devices to 5G applications, automotive applications, and healthcare, aiming to diversify its portfolio of products and customers. In 2022, the Company will develop new products, new customers, and new investment opportunities in the said fields, so as to achieve the business objectives of obtaining a balanced source of operating revenue, lowering the dependence on a single customer, and realizing sustainable growth while improving the value for shareholders.

4. Competitive niche

Catcher is a manufacturer of enclosure cases and internal mechanisms made of aluminum, magnesium, zinc, stainless steel, and composites. Its manufacturing processes include magnesium-aluminum alloy die casting, aluminum extrusion, forging, stamping, thermoforming, CNC machining, and surface treatment technologies such as anodizing and micro-arc oxidation, mainly applied for the manufacturing of notebook computers, smartphones, and other ICT products. Active development of composite materials such as carbon fibers and glass fibers over the past few years has also diversified its product lines. Being one of the few industrial manufacturers who are able to mass-produce metal and composite mechanisms, Catcher provides a full range of technologies and mass production capacity that can meet the mechanism needs of brand manufacturers of notebook computers, smartphones, and portable ICT products. Its exceptional performance originates from the following competitive niches:

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

Upholding the ideal of robust growth and innovation, Catcher has established competitive niches in terms of R&D, manufacturing, and sale. In addition, a sound financial structure, comprehensive manufacturing process modification, active recruitment and training of professional talents, and enhancement of strategic partnership are all important factors that lead to Catcher's being trusted by customers in terms of operations and awarded the chance to jointly research and develop new products.

5. Favorable and Unfavorable Factors in the Long Term

Favorable factors:

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

Metals' excellent physical properties have led to their increasing usage. The design of ICT products such as notebook computers, smartphones, tablet computers, wearable devices, and digital cameras has a tendency for thinness and a large-screen touch panel; metal mechanisms are increasingly used to strengthen structure, save space, and achieve a metal finish. As such, the applications of metal enclosure cases have bigger growth potential and therefore a brilliant market prospect. 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; and (3) a design of enclosure cases that is even complex and challenging. Aside from benefiting from the said favorable industrial factors, Catcher itself has three sources of major growth momentum: (1) Internal organic growth; (2) launch of new products; and (3) increase in new customers.

B. A stable customer base

The universal presence of the internet and multi-media has boosted the market for portable devices and ICT products. Meanwhile, with a decade and more of joint efforts by the government and the private sector, Taiwan's information industry nowadays has fully developed; not only does it have a complete up-, mid-, and downstream system, it has numerous products in which the market share tops the world. Catcher indeed is one among domestic manufacturers whose competency is fully qualified, irrespective of the competency being quality, yield, or scale. 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 progress of society brings constantly increasing demands for consumer electronics such as notebook computers, smartphones, and tablet computers. However, the design and structure of metal enclosure cases are usually highly customized; it requires key technologies, product mold development, and diversified surface treatment technologies, which can improve the yield of products and manufacturing processes only when the manufacturer is well experienced. Over the past few years, the design of notebook computers and smartphones has a gradual tendency for unibody enclosure cases or hybrid materials; immense work of extrusion and CNC machining is required for a flexible design of metal enclosure cases. This has transformed the metal enclosure case manufacturing industry into an industry that has higher entry barriers in terms of both capital and technology, in that it involves not only employment of enormous machinery and equipment, but also some back-end processes that are so cumbersome that they are not likely to be replaced with automation but can only be done by leveraging limited manpower while controlling the cost. In other words, it's not easy to maintain profits for long.

Since the life cycle of ICT products has become increasingly shorter, manufacturers have to seize market opportunities by assisting in R&D and completing mass production and shipments within a short period of time. For newcomers in the industry, since the initial investment in equipment is immense and they have yet to accumulate enough technologies and experience, they often have a difficult time rapidly improving the yield rate of products and manufacturing processes; it takes a long while for them to reach the break-even point. As such, though being a potential threat in the medium- and long-term, they are not likely to compete against Catcher in the short run. 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. Aside from early engaging in the industry, Catcher also has a strong R&D technology team, accumulates years or experience in terms of lead time and quality and relatively wields competitive advantages, and so is not likely to lapse into a situation of cut-throat competition.

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

ICT products are characterized by a complex design, a short R&D life cycle, and high quality requirements; aligning key parts and components with technological updates and having a good grasp of trends is even more important and so constitutes a type of competitiveness. Having a strong R&D team as well as management with a professional technology background, Catcher has exceptional competency in terms of product development and technology innovation. 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. Over

the past few years, Catcher has also actively developed new materials and new technologies, constantly introducing new solutions. This has made it a global mechanism manufacturer that has a full range of materials applications and manufacturing technologies. Its enclosure case products are also on track to a modular feature, which is extremely popular with many renowned international brands. In the future, Catcher will preserve existing R&D results and actively improve its technology competency and its R&D personnel's quality, so as to retain the competitiveness with respect to innovation and the ability to successfully develop new products ahead of peers.

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

Catcher adopts an one-stop manufacturing operating system. Most operations, including materials design, mold/cutting tool design and development, molding, CNC machining, diversified surface treatment, coating, and assembly, are completed within their own factory, making it possible to control the time-to-market 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", making it one of the few metal enclosure case/internal mechanism manufacturers in Taiwan who can meet international brands' requirements and goals in terms of either quality, yield rate, mass production capacity, customization, or innovative design. In addition, to improve its competency in the design and manufacturing of engineering-plastics mechanisms, Catcher has launched large plastics injection machines onto the production line to provide the service of integration of metals with engineering-plastics. Meanwhile, the Company also actively explores the numerous novel technologies of surface treatment, with which it will expand the production lines, depending on the market conditions. As such, growth potential is expectable.

Unfavorable factors:

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

Geo-political volatility and the pandemic adversely impact the global economy, bring uncertainties in demands. The ever-evolving technologies and rapid launch of ICT products increasingly squeeze the gross profit of the industry. Being optimistic about the development potential of metal mechanisms, many assembly plants and other traditional manufacturers originally engaging in ironware stamping, plastic injection, SUS fabrication, or mold development consecutively turn to the metal enclosure case market, imposing a considerable pressure on the operations of existing manufacturers. In addition, the demand for hardware is not as robust as before, resulting in customers' exerting greater pressure on the prices of parts and components in order to maintain their profits, which in turn squeezes the profit prospects of mechanism manufacturers.

Response measures:

- a. Expand the production and sale scale to lower the production costs and 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. Leverage excellent manufacturing process technologies to deepen and widen existing strategic alliances 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; leverage good manufacturing foundation to improve the yield rate, and thereby widen the gap with new competitors.
- c. Provide customers with one-stop shopping service; constantly engage in R&D of new manufacturing processes to establish a comprehensive one-stop operation system. Meet customers' needs in all respects, including co-design, rapid prototyping, mold flow analysis, mold/cutting tool development, molding, CNC machining, surface treatment for various metals, printing, and assembly.
- d. Fully leverage own core competencies to engage in new applications and tap into new markets, so as to balance the product portfolio and seek the next growth field.

B. Notebook Computers OEMs/assembly plants increase price pressures and actively implement vertical integration

In recent years, the demand for commercial notebook computers has increased, and the ratio of metal mechanisms has climbed. Nonetheless, facing more intense cost pressures, OEMs/assembly plants once abandoned the use of magnesium alloy die castings, which had a higher unit price, for their notebook computers, and turned to “magnesium with aluminum coating” and “plastics with aluminum coating”, which were economical, had a metal finish, and could reduce cost pressures. As for the trend of vertical integration in the industry, top-tier global notebook computer OEMs still have a medium-long term objective to reserve a certain percentage of enclosure cases for in-house production, though they already have major suppliers of enclosure cases. Other OEMs and assembly plants hold a similar attitude. In addition, the market for enclosure cases of mobile phones and tablet computers is the market that OEMs and assembly plants are actively tapping into if chance permits. 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. Fully utilize Catcher's most comprehensive “Manufacturing Matrix Competency” to continue R&D of high-end solutions that involve multiple materials and multiple processes, thereby constantly creating value for customers while raising the entry barriers.
- b. Design products and manufacturing processes in compliance with economic principles to

realize process mechanization, automation, and reasonablization, so as to improve product quality, differentiation, and added-value and lower cost.

- 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 enclosure case industry lies in surface treatment technology and product mold development, two key technologies that require rich manufacturing experience. Currently, domestic notebook computer manufacturers usually form a strategic alliance with enclosure case manufacturers through investment, though mainly with plastics enclosure case manufacturers. Metal enclosure cases highly require capital and technological capabilities, so the yield rate is not likely to improve in a short period of time; only with a lengthy passage of time might the break-even point be reached. As such, despite the number of competitors increasing with time, their scale and technological competency in the short term are not sufficient enough to constitute a threat.

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. Manufacturing processes for metal mechanisms are complicated and have a demanding quality requirement. In addition, not all processes can be replaced with an automatic process. Since the product development cycle ever becomes shorter and product quantity demanded is increasing, demand for rank-and-file labor simultaneously ascends. 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. Meanwhile, in China, its constantly growing economy, rapid rising salary standard, increase in taxes and duties, and inflationary pressures all cause the manufacturing cost to rise.

Response measures:

- a. Manufacture newly developed products that have a high gross profit and high unit price in Taiwan in compliance with the economic principles. 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. At a time when orders and profits abound, they might fill the shortage of labor by recruiting and retaining talents by means of raising overall salary standards, launching incentive programs, and improving the working environment. Compared with small manufacturers, they do wield greater power in price bargaining.
- c. Raise the ratio of automatic manufacturing to minimize manpower requirements and

improve manufacturing 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. Long-term development of metal enclosure cases might be affected by the development of new materials, such as carbon fiber, glass fiber, 3D glass, special metals, composite materials, and powders, and by the fact that low-cost plastic enclosure cases still retain a standing on the market.

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. Over the past few years, aside from existing aluminum alloy products and magnesium alloy products, the Company has added to its portfolio the products made of zinc alloy, SUS, carbon fiber, and glass fiber. The Company also actively develops special processes and technologies, and combines them with existing processes and technologies to form the “Comprehensive Process Matrix”. Aside from providing metal forming services such as extrusion, die casting, injection, stamping, forging, MIM, thermoforming, Catcher also provides surface treatment (e.g., anodizing, PVD) for various alloy products. By providing customers with more premium and more diversified services, it aims to widen the differentiation between metal and non-metal, thereby sharpening its competitiveness.
- b. Aside from advocating for developing and utilizing new materials, Catcher’s R&D team spares no effort to explore the non-metallic materials business and develop and upgrade non-metallic materials technologies. In addition to manufacturing metal enclosure cases, the Company also taps into the fields of specialty plastic enclosure cases and composite materials, so as to provide customers with “one-stop shopping” service, thereby growing with customers and creating a win-win situation.
- c. With an investment of NT\$6 billion, the Company established Ke Yue Co., Ltd. in Taiwan. Ke Yue Co., Ltd. focuses on developing new materials, new manufacturing processes, and new business, declares to be a pioneer in the field of mechanisms of 3C (computer, communication, and consumer electronics) products, and has recently invested R&D resources to develop powder materials. Catcher will always engage itself so long as customers have demands that wield economic benefits.

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) Main Use of Major Products and Their Manufacturing Processes

1. Main Use of Major Products

The Company's major products include enclosure cases and functional internal mechanisms for portable and 3C (computer, communication, and consumer electronics) ICT products; those enclosure cases and functional internal parts can protect parts and components and the LCD panel of the portable and 3C (computer, communication, and consumer electronics) ICT products, and serve the functions of heat conduction, shock resistance, and electromagnetic interference prevention.

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

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

1. Major customers information

Item	2021				2020			
	Name	Amount	Ratio to annual net sales (%)	Relationship with the issuer	Name	Amount	Ratio to annual net sales (%)	Relationship with the issuer
1	C	14,904,768	36.27%	Not a related party	C	17,006,380	20.61%	Not a related party
2	T	9,999,532	24.33%	Not a related party	T	9,985,587	12.10%	Not a related party
3	G	5,931,613	14.43%	Not a related party	G	45,791,405	55.50%	Not a related party
4	Q	5,149,298	12.53%	Not a related party	Q	4,751,146	5.76%	Not a related party
Others		5,109,768	12.44%		Others	4,971,514	6.03%	
Total net sales		41,094,979	100.00%		Total net sales	82,506,032	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: In Thousands of New Taiwan Dollars

2021				2020			
Supplier	Purchase amount	%	Relationship	Supplier	Purchase amount	%	Relationship
E	957,177	13%	None	E	867,873	3%	None
F	84,509	1%	None	F	9,464,734	37%	None
Others	6,241,738	86%	-	Others	15,066,323	60%	-
Purchase amount	7,283,424	100%	-	Purchase amount	25,398,930	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

Major Products \ Year	2021				2020			
	Production Capacity	Production Volume	Production Value	Sales Value	Production Capacity	Production Volume	Production Value	Sales Value
Product sales	252,000	177,013	27,525,852	41,031,606	92,800	66,879	60,540,350	82,441,627
Others	-	-	42,708	63,373	-	-	46,431	64,405
Total	252,000	177,013	27,525,852	41,094,979	92,800	66,879	60,586,781	82,506,032

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		2019	2020	2021
Number of employees	Direct personnel	2,614	2,779	2,963
	Indirect personnel	2,361	2,294	1,434
	Total	4,975	5,073	4,397
Average age (age)		31.87	32.53	32.68
Average service years (years)		3.82	4.32	4.46
Education degree dispersion rate (%)	PhD	0.26	0.28	0.27
	Master degree	6.17	5.64	5.78
	College diploma	30.49	30.91	32.48
	Senior high school/vocational high school	19.08	18.66	20.08
	Under senior high school/foreign workers Contingent workers / temporary workers	44.00	44.51	41.39

IV. Environmental Expenditure

(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) and possible expenditures:

The Company's environmental protection operation is in accordance with ISO14001 Environmental Management Systems and the PDCA (Plan-Do-Check-Act) cycle. Pollution prevention and environmental protection work are systematically implemented and managed in order to meet legal compliance and implement environmental sustainability. In 2021, the Company continued the launch and expansion of a process water filtration and reuse system to improve the reuse rate of the process water cycle. 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. With respect to processes and production, R&D resources are constantly invested in reducing chemicals use volume and air pollutants

emissions. As for the polishing process within the anodizing process, the consumption of phosphoric acid is reduced to lower chemical use volume; as for the coating process, water coating materials are introduced to substitute for oil coating materials in order to reduce the emission of volatile organic compounds (vocs). Upholding the spirit of clean production, the Company is on track to energy conservation and resources conservation, recycling, and reuse. In the future, it will (1) save energy and water; (2) improve the reuse rate of waste and wastewater; and (3) benchmark against environmental sustainability performance and set an even higher standard for the purposes of motivation and continuous improvement, so as to fulfill the social responsibilities of a world-class enterprise.

V. Labor Relations

(I) Stated below are the Company's employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans:

The Employees' Welfare Committee was established. The Company and the committee have implemented various employee benefit plans, which are stated below:

- (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. Retirement system:

Employees are entitled to the various payments specified in the Labor Insurance Act upon the commencement of their employment. In addition, in terms of pension and survivors' benefits, upholding the spirit of the Labor Standards Act and the Labor Pension Act, the Company has also established its own employee retirement system, according to which it monthly allocates a portion of employees' salary as their pension to their designated account, and also contribute an amount of pension to their individual retirement fund account, so as to ensure their living.

4. Labor-management agreements and measures for preserving employees' rights and interests:

Fulfilment of an enterprise's operational objectives relies on employee's dedicated involvement and contribution. On the other hand, the management also provides employees with an opportunity to show their talents. As such, a harmonious labor-management relationship has long been valued by the Company. Upholding the ideal of caring for employees and serving the common good, the Company designs salary, benefits, and training policies in a way that will achieve employee benefits, job satisfaction, and a good workplace. As such, the management and employees alike are working 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

Type of contract	Party	Contract start date and end date	Main content	Restrictive clauses
Lease contract	Taiwan Sugar Corporation	Apr. 20, 2000 Apr. 19, 2050	Lease of land	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.
A contract for the acquisition of land, factories, dormitories some facilities and equipment and seedlings belonging to Catcher Technology (Suzhou)	Land Reserve Center of Suzhou Industrial Park	Nov. 28, 2014	Land acquisition	None
Contract for transfer of state-owned land use rights belonging to Topo Technology (Suzhou)	China-Singapore Suzhou Industrial Park Development Co.Ltd	Jan. 12, 2005 Jan. 11, 2055	Land use right transfer	None
Contract for transfer of state-owned land use rights belonging to Meecca Technology (Suzhou)	China-Singapore Suzhou Industrial Park Development Co.Ltd	April 30, 2006 April 29, 2056	Land use right transfer	None

Contract for transfer of state-owned construction land use rights belonging to Catcher Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Dec. 12, 2008 Dec. 11, 2058	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to Catcher Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Jan. 5, 2010 Jan. 4, 2060	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to Catcher Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Jul. 24, 2012 Jul. 23, 2062	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to VITC Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Aug. 24, 2012 Aug. 23, 2062	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to VITC Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Apr. 19, 2014 Apr. 18, 2064	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to VITC Technology (Suqian)	Bureau of Land Resources and Housing Management, Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Dec. 15, 2014 Dec. 14, 2064	Transfer of state-owned construction	None

Technology (Suqian)	Park, Suqian City (County), Jiangsu Province, People's Republic of China		land use rights	
Contract for transfer of state-owned construction land use rights belonging to Arcad Technology (Suqian)	Bureau of Land Resource and Housing Management Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Jan. 15, 2015 Jan. 14, 2065	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to Arcad Technology (Suqian)	Bureau of Land Resource and Housing Management Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Jan. 15, 2015 Jan. 14, 2065	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to Arcad Technology (Suqian)	Bureau of Land Resource and Housing Management Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Mar. 24, 2015 Mar. 23, 2065	Transfer of state-owned construction land use rights	None
Contract for transfer of state-owned construction land use rights belonging to Envic Technology (Suqian)	Bureau of Land Resource and Housing Management Suzhou Suqian Industrial Park, Suqian City (County), Jiangsu Province, People's Republic of China	Sep. 15, 2017 Sep. 14, 2067	Transfer of state-owned construction land use rights	None

Chapter 6. Finance overview

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

(I) Condensed balance sheet and comprehensive income statement for the most recent 5 years

Condensed balance sheet - IFRS

Unit: NT\$1,000

Item \ Year		Financial information for the most recent 5 years (Note 1)					Financial information for the current year up to March 31, 2022
		2021	2020	2019	2018	2017	(Note 3)
Current assets		195,318,132	201,877,350	191,844,532	196,505,238	151,436,277	—
Property, plant, and equipment		17,868,347	22,567,706	41,296,514	50,264,399	52,066,481	—
Intangible assets		57,707	38,004	101,455	125,689	81,700	—
Other assets		33,658,617	31,420,135	9,871,772	10,264,587	10,279,504	—
Total Assets		246,902,803	255,903,195	243,114,273	257,159,913	213,863,962	—
Current liabilities	Before distribution	89,233,095	91,462,675	93,271,004	103,990,484	77,326,260	—
	After distribution (Note 2)	89,233,095	100,602,092	100,887,185	113,235,176	86,570,952	—
Non-current liabilities		6,242,986	6,368,918	1,254,762	1,845,114	3,403,023	—
Total Liabilities	Before distribution	95,476,081	97,831,593	94,525,766	105,835,598	80,729,283	—
	After distribution (Note 2)	95,476,081	106,971,010	102,141,947	115,080,290	89,973,975	—
Equity attributable to shareholders of parent company		151,377,133	157,975,065	148,462,713	151,219,313	133,050,446	—
Capital stock		7,616,181	7,616,181	7,703,911	7,703,911	7,703,911	—
Capital surplus		20,008,824	20,008,231	20,237,791	20,238,740	20,270,956	—
Retained earnings	Before distribution	144,179,403	144,744,963	132,709,517	130,686,978	111,282,634	—
	After distribution (Note 2)	144,179,403	135,605,546	125,093,336	121,442,286	102,037,942	—
Other equity		-16,961,466	-14,394,310	-12,188,506	-7,410,316	-6,207,055	—
Treasury stock		-3,465,809	0	0	0	0	—
Non-controlling interests		49,589	96,537	125,794	105,002	84,233	—
Total equity	Before distribution	151,426,722	158,071,602	148,588,507	151,324,315	133,134,679	—
	After distribution (Note 2)	151,426,722	148,932,185	140,972,326	142,079,623	123,889,987	—

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

Note 2: Since the 2022 shareholders' meeting has yet to be convened, the amount after distribution is temporarily presented as the amount before distribution in 2021.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2022 that have been reviewed by an independent auditor was not available.

Stand-alone condensed balance sheet - IFRS

Unit: NT\$1,000

Item \ Year		Financial information for the most recent 5 years (Note 1)					Financial information for the current year up to March 31, 2022
		2021	2020	2019	2018	2017	(Note 3)
Current assets		51,053,431	62,612,525	69,339,078	94,542,208	89,805,016	—
Property, plant, and equipment		6,966,460	7,147,309	7,580,644	6,896,206	6,210,883	—
Intangible assets		29,423	10,862	46,272	53,411	2,988	—
Other assets		181,758,348	172,746,658	149,442,856	144,074,919	123,081,770	—
Total Assets		239,807,662	242,517,354	226,408,850	245,566,744	219,100,657	—
Current liabilities	Before distribution	83,227,902	79,774,687	77,763,289	94,292,872	85,967,923	—
	After distribution (Note 2)	83,227,902	88,914,104	85,379,470	103,537,564	95,212,615	—
Non-current liabilities		5,202,627	4,767,602	182,848	54,559	82,288	—
Total Liabilities	Before distribution	88,430,529	84,542,289	77,946,137	94,347,431	86,050,211	—
	After distribution (Note 2)	88,430,529	93,681,706	85,562,318	103,592,123	95,294,903	—
Equity attributable to shareholders of parent company		151,377,133	157,975,065	148,462,713	151,219,313	133,050,446	—
Share capital		7,616,181	7,616,181	7,703,911	7,703,911	7,703,911	—
Capital surplus		20,008,824	20,008,231	20,237,791	20,238,740	20,270,956	—
Retained earnings	Before distribution	144,179,403	144,744,963	132,709,517	130,686,978	111,282,634	—
	After distribution (Note 2)	144,179,403	135,605,546	125,093,336	121,442,286	102,037,942	—
Other equity		-16,961,466	-14,394,310	-12,188,506	-7,410,316	-6,207,055	—
Treasury stock		-3,465,809	0	0	0	0	—
Non-controlling interests		0	0	0	0	0	—
Total equity	Before distribution	151,377,133	157,975,065	148,462,713	151,219,313	133,050,446	—
	After distribution (Note 2)	151,377,133	148,835,648	140,846,532	141,974,621	123,805,754	—

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

Note 2 : Since the 2022 shareholders' meeting has yet to be convened, the amount after distribution is temporarily presented at the amount before distribution in 2021.

Note 3: As of the publication date of this annual report, the data on the financial statements for the first quarter of 2022 that have been reviewed by an independent auditor was not available.

Condensed consolidated statement of comprehensive income – IFRS

Unit: NT\$1,000

Item \ Year	Financial information for the most recent 5 years (Note 1)					Financial information for the current year up to March 31, 2022
	2021	2020	2019	2018	2017	(Note3)
Operating revenue	41,094,979	82,506,032	91,628,115	95,416,141	93,295,960	—
Operating gross profit	13,569,127	21,919,251	22,266,895	38,624,196	41,969,517	—
Operating profits or losses	8,760,121	14,935,168	14,109,148	29,604,362	33,433,242	—
Non-operating income and expenses	3,310,531	25,912,021	5,874,113	11,714,774	-688,024	—
Net profits before tax	12,070,652	40,847,189	19,983,261	41,319,136	32,745,218	—
Net profits for the period from continuing operations	8,596,283	21,166,068	11,297,820	27,994,853	21,857,599	—
Losses from discontinued operations	0	0	0	—	—	—
Net profits (losses) for the period	8,596,283	21,166,068	11,297,820	27,994,853	21,857,599	—
Other comprehensive income (net after tax) for the period	(2,569,796)	(2,204,666)	(4,783,094)	-528,309	-3,726,580	—
Total comprehensive income for the period	6,026,487	18,961,402	6,514,726	27,466,544	18,131,019	—
Net profits attributable to shareholders of parent company	8,575,044	21,129,820	11,272,124	27,972,188	21,843,250	—
Net profits attributable to non-controlling interests	21,239	36,248	25,696	22,665	14,349	—
Total comprehensive income attributable to shareholders of parent company	6,006,701	18,924,016	6,493,934	27,445,775	18,123,732	—
Total comprehensive income attributable to non-controlling interests	19,786	37,386	20,792	20,769	7,287	—
Earnings per share (Note 2)	11.31	27.65	14.63	36.31	28.35	—

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 2022 that have been reviewed by an independent auditor was not available.

Condensed stand-alone statement of comprehensive income – IFRS

Unit: NT\$1,000

Item \ Year	Financial information for the most recent 5 years (Note 1)					Financial information for the current year up to March 31, 2022
	2021	2020	2019	2018	2017	(Note3)
Operating revenue	14,030,564	57,693,223	64,460,760	66,951,051	65,607,147	—
Operating gross profit	1,791,577	2,885,372	3,673,706	8,393,585	7,591,901	—
Operating profits or losses	796,947	1,757,976	2,494,760	7,509,608	6,742,308	—
Non-operating income and expenses	8,487,918	26,220,367	10,100,348	23,368,943	18,507,660	—
Net profits before tax	9,284,865	27,978,343	12,595,108	30,878,551	25,249,968	—
Net profits for the period from continuing operations	8,575,044	21,129,820	11,272,124	27,972,188	21,843,250	—
Losses from discontinued operations	—	—	—	—	—	—
Net profits (losses) for the period	8,575,044	21,129,820	11,272,124	27,972,188	21,843,250	—
Other comprehensive income (net after tax) for the period	(2,568,343)	(2,205,804)	(4,778,190)	(526,413)	(3,719,518)	—
Total comprehensive income for the period	6,006,701	18,924,016	6,493,934	27,445,775	18,123,732	—
Net profits attributable to shareholders of parent company	—	—	—	—	—	—
Net profits attributable to non-controlling interests	—	—	—	—	—	—
Total comprehensive income attributable to shareholders of parent company	—	—	—	—	—	—
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—	—
Earnings per share (Note 2)	11.31	27.65	14.63	36.31	28.35	—

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 2022 that have been reviewed by an independent auditor was not available.

(II) Attesting CPA Name audit opinions for the most recent 5 Years

Year	CPA firm	Name of attesting CPAs	Audit opinion	Reason for change of CPA
2017	Deloitte & Touche Taiwan	Chi-chen Li Chun-chi Kung	Unqualified opinion	-
2018	Deloitte & Touche Taiwan	Chi-chen Li Chun-chi Kung	Unqualified opinion	-
2019	Deloitte & Touche Taiwan	Chi-chen Li Chun-chi Kung	Unqualified opinion	-
2020	Deloitte & Touche Taiwan	Chi-chen Li Li-yuan Kuo	Unqualified opinion	Due to job rotation within the accounting firm
2021	Deloitte & Touche Taiwan	Hung-ju Liao Chi-chen Li	Unqualified opinion	Due to job rotation within the accounting firm

II. Financial analysis for the most recent 5 years

(I) Consolidated financial analysis - IFRS

Analysis item \ Year		Financial analysis for the most recent 5 years (Note2)					As at the current year up to March 31, 2022 (Note 3)
		2021	2020	2019	2018	2017	(Note 3)
Capital structure %	Debt to assets ratio	38.66	38.22	38.88	41.15	37.74	—
	Ratio of long-term capital to property, plant, and equipment	847.18	700.00	359.50	300.84	255.53	—
Solvency %	Current ratio	218.88	220.72	205.68	188.96	195.84	—
	Quick ratio	214.71	213.50	188.88	162.00	180.04	—
	Interests coverage multiplier	2,599.04	7,188.60	2,182.10	8,890.80	10,426.33	—
Operating performance	Accounts receivable turnover rate (times)	3.04	4.03	3.76	3.33	2.84	—
	Average collection days	120.06	90.57	97.07	109.60	128.52	—
	Inventory turnover rate (times)	5.90	6.00	3.52	3.29	8.05	—
	Accounts payable turnover rate (times)	4.93	6.40	5.45	4.33	5.86	—
	Average sales days	61.86	60.83	103.69	110.94	45.34	—
	Property, plant and equipment turnover rate (times)	2.03	2.58	2.00	1.86	1.80	—
	Total assets turnover rate (times)	0.16	0.33	0.36	0.40	0.46	—
Profitability	Return on assets (%)	3.55	8.60	4.73	12.02	11.02	—
	Return on equity (%)	5.55	13.81	7.53	19.69	17.09	—
	Net profits before tax to paid-in capital (%)	158.48	536.32	259.39	536.33	425.04	—
	Net profit margin (%)	20.91	25.65	12.33	29.33	23.42	—
	Earnings per Share (NT\$) (Note 1)	11.31	27.65	14.63	36.31	28.35	—
Cash flow	Cash flow ratio (%)	10.67	22.19	27.66	25.89	42.49	—
	Cash flow adequacy ratio (%)	114.51	121.74	119.43	108.83	123.13	—
	Cash reinvestment ratio (%)	0.20	6.46	7.69	8.37	13.57	—
Leverage	Operating leverage	3.03	3.48	4.02	2.22	1.98	—
	Financial leverage	1.05	1.04	1.07	1.01	1.00	—
Please specify the reasons for the changes in the financial ratios for the last five years (This section need not be filled in if the change is within 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 2022 that have been reviewed by an independent auditor was not available.							

The reasons for changes in the financial ratios of 2021 reaching 20% when compared with the 2020 level are stated as follows:

- **Ratio of long-term capital to property, plant, and equipment; 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 decrease in the amount of property, plant and equipment.
- **Interests coverage multiplier :**
The multiplier decreased because the interest expenses and pre-tax profit for the current year decreased.
- **Accounts payable turnover rate:**
The accounts payable turnover rate decreased because the balance of average inventory and average accounts payable for the current year both declined.
- **Accounts receivable turnover rate (times); average collection days; total assets turnover rate (times); return on assets; return on equity; ratio of pre-tax profit to paid-in capital; profit margin; earnings per share:**
Because operating revenue declined, all ratios declined correspondingly.
- **Cash flow ratio; Cash reinvestment ratio:**
Because cash inflows from operating activities for the current year decreased, all cash flow ratios declined correspondingly.

(II) Stand-alone financial analysis - IFRS

Analysis item		Financial analysis for the most recent 5 years (Note2)					As at the current year up to March 31, 2022 (Note 3)
		2021	2020	2019	2018	2017	
Capital structure %	Debt to assets ratio	36.87	34.86	34.42	38.42	39.27	—
	Ratio of long-term capital to property, plant, and equipment	2,172.94	2,210.27	1,958.44	2,192.78	2,142.21	—
Solvency %	Current ratio	61.34	78.48	89.16	100.26	104.46	—
	Quick ratio	59.73	75.21	81.24	89.03	99.11	—
	Interests coverage multiplier	2,032.26	6,145.80	3,105.72	8,198.42	8,968.47	—
Operating performance	Accounts receivable turnover rate (times)	2.14	4.75	5.10	4.13	2.95	—
	Average collection days	170.56	76.84	71.56	88.37	123.72	—
	Inventory turnover rate (times)	6.74	12.94	7.32	8.35	26.23	—
	Accounts payable turnover rate (times)	6.09	11.71	4.39	2.26	2.4	—
	Average sales days	54.15	28.2	49.86	43.71	13.91	—
	Property, plant and equipment turnover rate (times)	1.98	7.83	8.90	10.21	10.75	—
	Total assets turnover rate (times)	0.05	0.24	0.27	0.28	0.32	—
Profitability	Return on assets (%)	3.74	9.16	4.93	12.18	10.91	—
	Return on equity (%)	5.54	13.79	7.52	19.68	17.08	—
	Net profits before tax to paid-in capital (%)	121.90	367.35	163.48	400.81	327.75	—
	Net profit margin (%)	66.11	36.62	17.48	41.78	33.29	—
	Earnings per Share (NT\$) (Note 1)	11.31	27.65	14.63	36.31	28.35	—
Cash flow	Cash flow ratio (%)	3.26	40.12	-19.12	2.95	23.94	—
	Cash flow adequacy ratio (%)	73.90	67.15	42.60	84.74	106.5	—
	Cash reinvestment ratio (%)	-4.52	16.86	-15.61	-4.12	9.36	—
Leverage	Operating leverage	10.13	18.49	14.66	5.35	5.8	—
	Financial leverage	2.51	1.35	1.20	1.05	1.04	—
Please specify the reasons for the changes in the financial ratios for the last five years (This section need not be filled in if the change is within 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 2022 that have been reviewed by an independent auditor was not available.							

The reasons for changes in the financial ratios of 2021 reaching 20% when compared with the 2020 level are stated as follows:

- **Interests coverage multiplier :**
The multiplier increased because the interest expenses for the current year increased and pre-tax profit for the current year decreased.
- **Current ratio; Quick ratio:**
Operating revenue in the current year decreased, reducing the accounts receivable. In addition, increased borrowings to meet operational needs caused current assets to decrease, current liabilities to increase, and therefore related ratios to decrease.
- **Interests coverage multiplier :**
Decrease in pre-tax profit in the current year caused the multiplier to decrease.
- **Inventory turnover rate; accounts payable turnover rate; average sales days:**
The decrease in both average inventory balance and average accounts payable balance caused the inventory turnover rate and the accounts payable turnover rate to decrease and the average sales days to increase.
- **Property, plant, and equipment turnover rate :**
The property, plant, and equipment turnover rate decreased due to decrease in the amount of property, plant and equipment.
- **Accounts receivable turnover rate (times); total assets turnover rate (times); return on assets; return on equity; ratio of pre-tax profit to paid-in capital; earnings per share:**
Because operating revenue and profit declined, all ratios declined correspondingly.
- **Average collection days; net profit rate :**
Operating income and profit decreased, resulting in an increase in both 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 caused the operating leverage to decrease and the financial leverage to increase.

Equations for financial analysis calculations

1. Capital structure

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

2. Solvency

- (1) Current ratio = current assets/current liabilities
- (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities
- (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period

3. Operating performance

- (1) Receivables (including accounts receivable and notes receivable from business operations) turnover rate = net sales balance of average for various periods
(including accounts receivable and notes receivable from business operations).
- (2) Average collection days = 365/accounts receivable turnover rate
- (3) Inventory turnover rate = costs of goods sold/average inventory
- (4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = costs of goods sold / balance of the average payables for various periods
(including accounts payable and notes payable arising from business operations).
- (5) Average sales days = 365/inventory turnover rate
- (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment
- (7) Total assets turnover rate = net sales/average total assets

4. Profitability

- (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets
- (2) Return on equity = net profits after tax/average total equity
- (3) Net profit margin = net profits after tax/net sales
- (4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
- (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals). (Note 5)

6. Leverage

- (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profits (Note 6).
- (2) Financial leverage = operating profits / (operating profits - interest expense).

III. Audit Committee Review Report for the most recent year

Catcher Technology Co., Ltd.

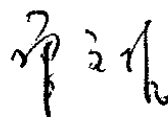
Audit Committee Review Report

The Board of Directors prepared and presented the Company's 2021 financial statements which have been audited and attested by Deloitte and Touche, who have released an independent auditors' report containing an unqualified opinion. The above-mentioned financial statements have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

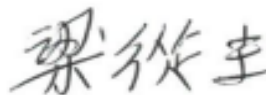
To

The 2022 General Shareholders' Meeting of Catcher Technology Co., Ltd.


Audit Committee Convener:



Committee Member:



Committee Member:



February 24, 2022

IV. Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, 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 CPA, but not including the statements of major accounting items.

Refer to Appendix 2 of this annual report.

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

None.

Chapter 7. Review and analysis of financial status and financial performance and risk

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: NT\$1,000

Item	Year	End of 2021	End of 2020	Difference	
				Amount	%
Current assets		195,318,132	201,877,350	-6,559,218	-3%
Property, plant and equipment		17,868,347	22,567,706	-4,699,359	-21%
Intangible assets		57,707	38,004	19,703	52%
Other assets		33,658,617	31,420,135	2,238,482	7%
Total Assets		246,902,803	255,903,195	-9,000,392	-4%
Current liabilities		89,233,095	91,462,675	-2,229,580	-2%
Non-current liabilities		6,242,986	6,368,918	-125,932	-2%
Total Liabilities		95,476,081	97,831,593	-2,355,512	-2%
Equity attributable to shareholders of parent company		151,377,133	157,975,065	-6,597,932	-4%
Capital stock		7,616,181	7,616,181	0	0%
Capital surplus		20,008,824	20,008,231	593	0%
Retained earnings		144,179,403	144,744,963	-565,560	0%
Other equity		-169,614,666	-14,394,310	-2,567,156	18%
Treasury stock		-3,465,809	0	-3,465,809	-
Non-controlling interests		49,589	96,537	-46,948	-49%
Total equity		151,426,722	158,071,602	-6,644,880	-4%

Analysis of changes in the percentage of increase or decrease in 2021 over 2020:

- Intangible assets increased mainly due to the acquisition of the professional technology, namely the next-generation integrated electrosurgery system, in the current year.
- Non-controlling interests decreased mainly due to subsidiaries' distributing earnings.

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

No significant effect on the financial position.

(III) Future countermeasures:

Not applicable.

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: NT\$1,000

Year	2021	2020	Increase (decrease)	Change
Item	Amount	Amount	Amount	Percentage (%)
Operating revenue	41,094,979	82,506,032	-41,411,053	-50%
Operating gross profit	13,569,127	21,919,251	-8,350,124	-38%
Operating profits or losses	8,760,121	14,935,168	-6,175,047	-41%
Non-operating income and expenses	3,310,531	25,912,021	-22,601,490	-87%
Net profits before tax	12,070,652	40,847,189	-28,776,537	-70%
Net profits for the period from continuing operations	8,596,283	21,166,068	-12,569,785	-59%
Losses from discontinued operations	-	-	-	-
Net profits for the period	8,596,283	21,166,068	-12,569,785	-59%
Other comprehensive income(net after tax) for the period	-2,569,796	-2,204,666	-365,130	17%
Total comprehensive income for the period	6,026,487	18,961,402	-12,934,915	-68%
Net profits attributable to shareholders of parent company	8,575,044	21,129,820	-12,554,776	-59%
Net profits attributable to non-controlling interests	21,239	36,248	-15,009	-41%
Total comprehensive income attributable to shareholders of parent company	6,006,701	18,924,016	-12,917,315	-68%
Total comprehensive income attributable to non-controlling interests	19,786	37,386	-17,600	-47%
Earnings per share	11.31	27.65	-16	-59%

Analysis of changes in the percentage of increase or decrease in 2021 over 2020:

- All ratios decreased in the current year mainly because decreased operating revenue had caused overall profit to decrease.
- Non-operating income and expenses decreased mainly due to the recognition of the gains derived from the disposal of the subsidiary in Taizhou, China, in the previous year.

(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 flow

Unit: NT\$1,000

Cash balance, beginning of period (A) (December 31, 2020)	Net cash inflow from operating activities during the year(B) (2021)	Cash inflow from investing activities and wealth management activities (C) (2021)	Effect of changes in exchange rate on cash and cash equivalents (D) (2021)	Cash balance (shortage) A+B+C+D (December 31, 2021)	Remedies for cash shortage	
					Investment plan	Financing plan
\$111,882,981	\$9,525,287	-\$67,815,299	-\$477,684	\$53,115,285	—	—

(I) Description and analysis of cash flow changes

- Cash inflow from operating activities amounted to NT\$9,525,287 thousand mainly due to continuous profits derived by the Group as well as the cash from collection of accounts receivable.
- Cash outflow from investing activities amounted to NT\$62,262,816 thousand mainly due to acquisition of financial assets measured at amortized cost.
- Cash outflow from financing activities amounted to NT\$5,552,483 thousand mainly due to cash dividends distribution and treasury shares buyback.

(II) Corrective actions responsive to insufficient liquidity

Not applicable.

(III) Cash flow analysis for the coming year

Not applicable.

IV. Effect of major capital expenditures on finance and business matters in the most recent year.

Status of significant capital expenditures and sources of funds

Plan item	Actual or expected source of fund	Actual or expected construction completion date	Expected benefits
Construction of factory	Own fund; bank borrowings	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. Investment policy for the most recent year, the main reasons for profit or loss, 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 2021

Gains from investment recognized in 2021 reached NT\$10,336,983 thousand, mainly contributed by the profits of subsidiaries.

VI. Assessment of risks

(I) impact of changes in the interest rates, exchange rates, and inflation on the Company's profit and loss in the recent year and up to the publication date of this annual report, and future countermeasures

1. Interest rate risk:

The Company's interest rate risk mainly comes from short-term liabilities that fund operating activities; their interest rate risk is low because they are financing facilities bearing a stable interest rate and lower cost. In terms of assets, the Company mainly invests 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 operating 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:

In 2021, price inflated by 1.96%. Though being lower than 2%, it was the largest increase in 13 years from 2009, mainly due to a spike in crude oil price worldwide. Looking into 2022, the Directorate-General of Budget, Accounting and Statistics forecasts the price in 2022 to increase by an average of 1.93%. Considering geopolitical volatility and the supply-demand gap brought by the pandemic, the Company will closely attend to inflation and timely and accordingly adjust inventory.

(II) Policies on high-risk, highly-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions for the most recent year, main reasons for gain or loss, and future countermeasures

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 plans and estimated R&D expenses

Catcher's R&D expenses for 2021 reached NT\$ 1,682,336 thousand, accounting for 4.1% of the consolidated revenue. Its R&D budget for 2022 is expected to stand at somewhere between 2%-4% of the consolidated revenue. To maintain its role as an industry leader, Catcher constantly expands the application of different materials, composites, high-strength materials, high-resilience materials, low electromagnetic shielding materials, and high frequency penetrable materials, and improves technological levels, so as to edge towards smart production. Having deeply engaged in the fields of 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 that are highly precise, of high added-value, and highly available for mass production. As a world-class leader of light metal technology, Catcher continues to head towards high-end, distinctiveness, and differentiation. Its R&D covers 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. The Company also leverages existing technologies to actively develop other niche products, so as to diversify its product portfolio. The development of 5G technology has already come under the global spotlight. When mobile devices are heading towards a high frequency and high-performance computing design, the heat dissipation problem that comes along will bring challenges, and opportunities at the same time, to mechanism manufacturers. By leveraging existing customer base and injecting more resources, Catcher will actively seek to expand product applications in the field.

(IV) The impact of significant domestic and foreign policy and legal changes on the Company's finance and business matters in the most recent year and up to the publication date of this annual report, and the countermeasures:

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) The impact of technological changes and industry changes on the Company's finance and business matters in the most recent year and up to the publication date of this annual report, and the countermeasures:

The Company pays close attention to, collects, and analyzes the changes in the markets and technologies for mechanisms of different materials, so as to minimize 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 the most recent year 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:

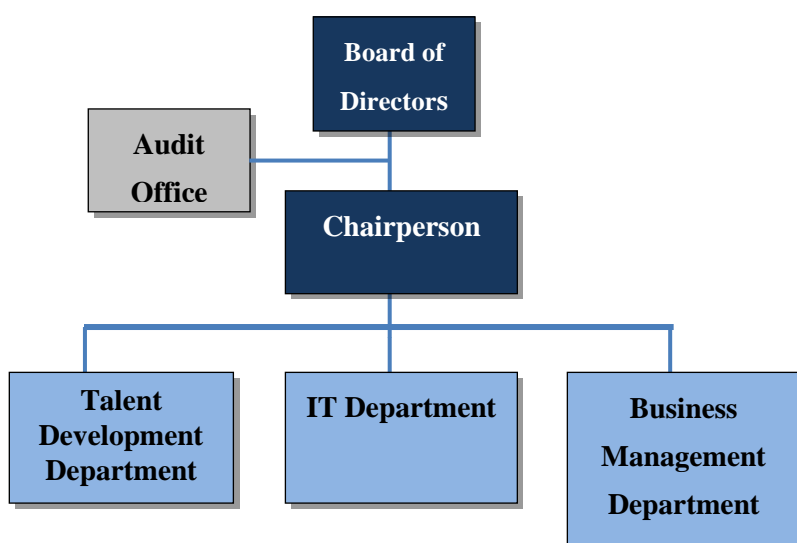
1. Cyber security management strategies and structure

(1) Cyber security risk management structure

Cyber security governance body

In order to coordinate the formulation and implementation of the Company's cyber security policy, manage the risks specified therein, and ensure internal compliance with cyber security standards, procedures, and laws, the Company has established the Cyber Security Governance Body, which is headed by the Board of Directors, subordinated by the IT Department, Talent Development Department, and Business Management Department, and is responsible for promoting cyber security operation corresponding to cyber security management in order for the cyber security management system to function in a continuous, in-depth, and stable manner. The Audit Office shall review cyber security management and examine information security, safeguard policy, and related policy to realize the effectiveness of cyber security management measures, and shall regularly report cyber security management results to the Board of Directors, so as to ensure the effective operation of the cyber security management cycle. (The nearest reporting date was on December 8, 2021)

The Company's cyber security organizational structure



(2) Cyber security policy

Cyber security management strategy

- Cyber security governance: Regularly inspect and upgrade network infrastructures and environment; continuously fix the potential vulnerabilities within the internal system; provide personnel with courses on cyber security practices; comprehensively deepen the defensive capability of cyber security infrastructures.
- System and regulations: Formulate a cyber-security management system; regularly review and check the effectiveness of the implementation of the cyber security internal control system; implement the operation of the cyber security control mechanism.
- Technological application: Continue to introduce cyber security equipment and application technology; have a good grasp of the status of cyber security risks; and improve cyber security defense and resilience.

Specific management project

Type	Description	Related control measures
Cyber security	Potential vulnerability and antivirus and anti hacking measures	<ul style="list-style-type: none"> • Set up a firewall to protect the internal network environment • Establish network surfing policies to prevent personnel from visiting dangerous websites • Build a spam filtering and anti-blocking system • Scan virus and detect malware • Scan and fix software and hardware vulnerability
Application system	System availability and handling of service interruption	<ul style="list-style-type: none"> • System/Network status monitoring and reporting mechanism • Measures responsive to service interruption • Build data backup and off-site backup mechanism • Hold regular recovery rehearsal

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 an employee's account, and regularly conduct inventory • Control internal/external access; record and analyze the trajectory of operating behaviors • Measures to control the channels from which data may be leaked
Employee training	Continue to establish, publicize, and promote employee information security awareness to improve information security standards	<ul style="list-style-type: none"> • Regular dissemination of information security concept; educational training • Regular social engineering rehearsal

2. Cyber security risks and countermeasures:

The types of cyber-attacks are treacherous and ever evolving; a cyber-security system is not a guarantee that it will always prevent any third party from initiating any type of cyber-attacks (e.g., e-mail, phishing, or brute-force attack), or implanting malware into the Company's internal network to destruct 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 might lead to the Company's having to compensate customers for their losses due to delay or interruption of shipments specified on the order, or having to bear the immense cost of implementing corrective or improvement measures to enhance the Company's cyber security system. The Company might face significant legal liability, such as litigation or regulatory investigation, due to leakage of data of employees, customers, or a third party 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 impact 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

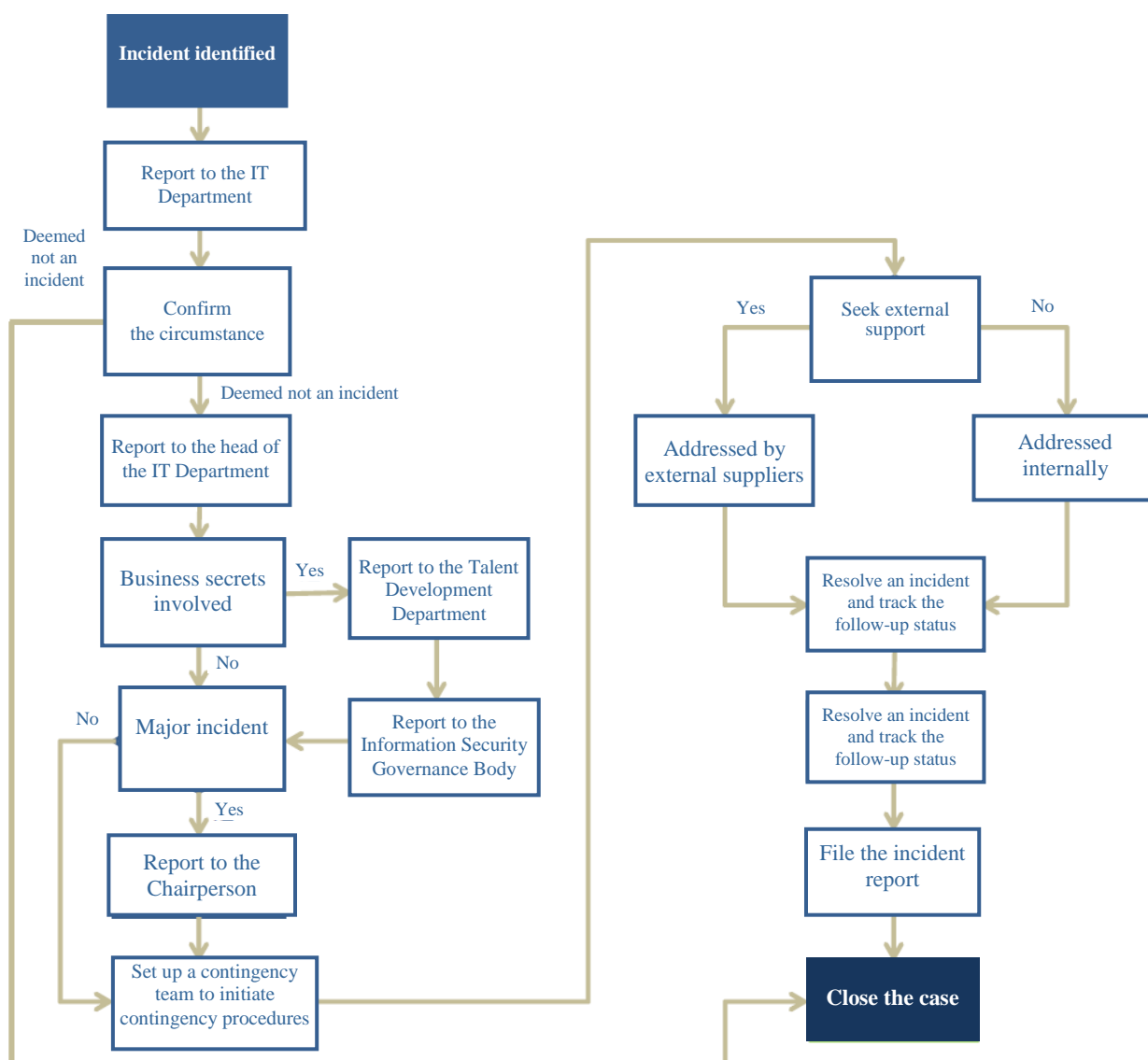
systems, etc. Every year the Company regularly audits the information security management of personnel and organizations, and submits the audit results to the Board of Directors, so as to control and mitigate information security risks.

- (3) **Personnel training:** The Company regularly holds educational training courses on information security for new employees; it also improves the information security knowledge and enhances the information security awareness of in-service employees by means of regular educational training, posters, and videos, so as to ensure the fusion of information security concept and daily operation; Also, through its corrective and preventive procedures, the Company timely addresses the issues identified in an internal information security audit, so as to reduce the risk that employees leak the confidential data of customers or the Group. 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 2021.

In 2021, the Company introduced the Security Rating Service, a service provided by a third party that continuously assesses whether a vulnerability exist in the Company's external network and networks to continuously improve and maintain a high information security level. Meanwhile, the reporting and handling of any information security incident is carried out in compliance with the Information Security Incident Reporting Procedures, which are stated as follows.



(VI) Impact of corporate image change in the most recent year and up to the publication date of this annual report on corporate crisis management, and countermeasures

Since the Company always holds a business philosophy of being ethical, legal compliance, and fulfillment of social responsibility, its corporate image has been good. As of the publication date of this annual report, there was no risk 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) Risks associated with the concentration of purchases and sales in the most recent year and up to the publication date of this annual report, and countermeasures

A. Risk associated with concentration of sales:

For the Company's major customers, refer to the disclosures in the Operational Highlights chapter of this annual report.

The Group's major customers are all renowned international brands, so the extent of concentration of customers is within control. Although the Company continues to attend to market variations and timely adjust the customers structure, the sales are still subject to factors such as market conditions, customers' product design, OEM strategy, and inventory reconciliation.

B. Risk associated with concentration of purchase:

For the Company's major suppliers, refer to the disclosures in the Operational Highlights chapter of this annual report.

From the perspective of a group, there was no significant concentration of purchase. To align with its objective of sustainable development, the Company will strive to diversify the concentration of customers and suppliers, in the hope to attain a business model that is balanced and robust.

(X) Any risk associated with substantial shift or change in shareholding of directors or major shareholders holding more than 10 percent of total issued shares as of the publication date of this annual report, its impact on the Company, and the countermeasures therefor

All the Company's directors and major shareholders are optimistic about the Company's prospects, but other individual shareholders might rearrange their shareholding based on their consideration of wealth management and taxation. Based on company interest, and to maintain stable confidence among investors, even if directors and major shareholders need to shift or change a substantial part of shareholding, they must fully communicate with the Board of Directors and the management team before they may do so at a proper timing. As such, their doing so does not generate risk or impacts that will adversely affect 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 consideration of company 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) Effect upon and risk to company associated with any 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, and mitigation measures being or to be taken.

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 important risks and countermeasures

None.

VII. Other important matters

None.

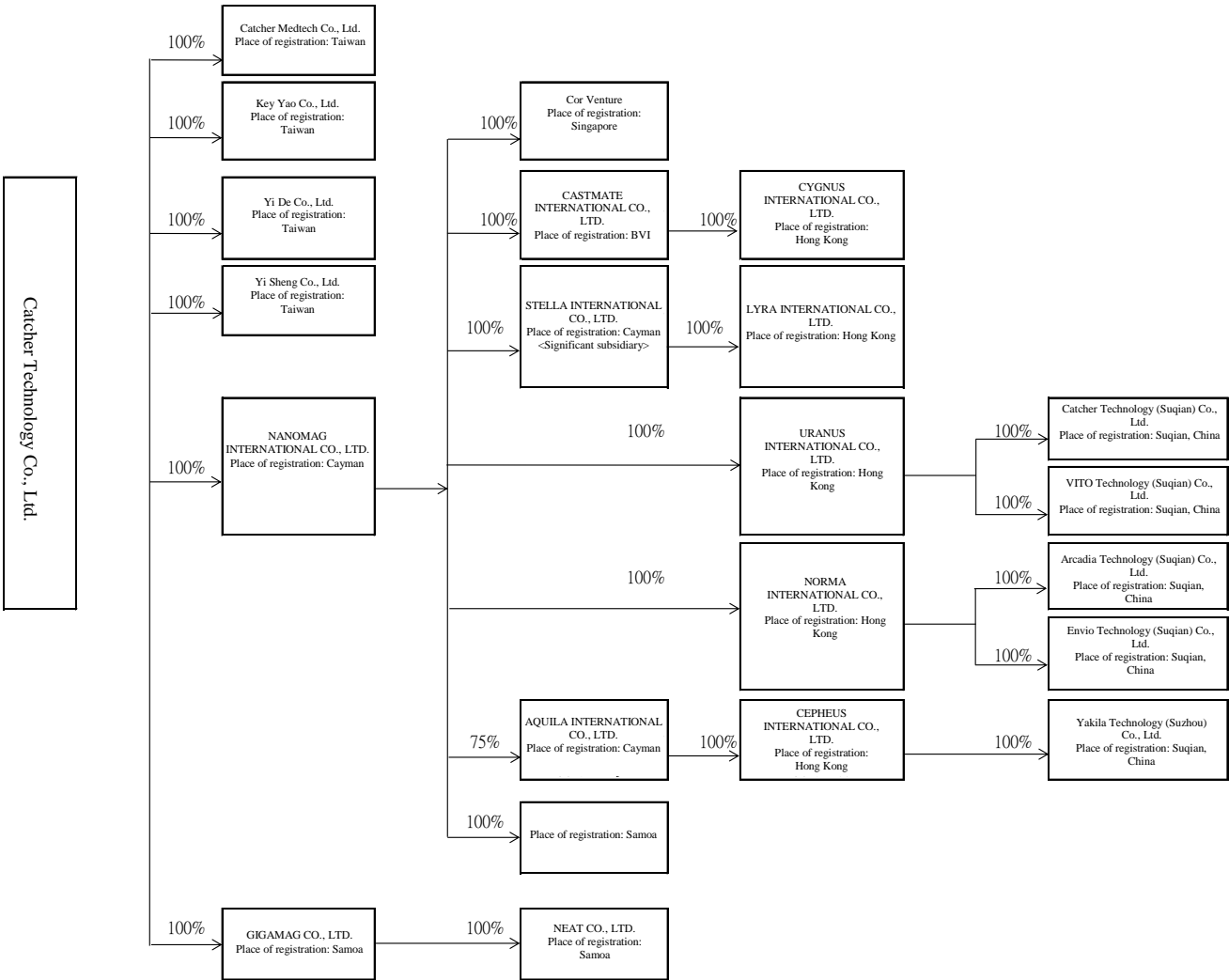
Chapter 8. Special Items

I. Information on affiliates

(I) Consolidated business report of affiliates

1. Affiliates overview -- Consolidated structure of affiliates (including those recognized under the equity method)

Table compilation date: December 31, 2021



2. Basic information on affiliates

Unit: NT\$1,000 December 31, 2021

Company name	Establishment Date	Address	Paid-in Capital	Main business scope
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
Gigamag Co., Ltd.	2000.12.15	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	484,941	Investment
Castmate International Co., Ltd.	1998.04.15	Vistra Corporate Services Centre, Wickhams Cay II, Road Town Tortola VG1110, British Virgin Islands	28,127	Investment
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
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
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
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
Cygnus International Co., Ltd.	2007.11.07	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	278,747	Investment
Lyra International Co., Ltd.	2007.11.07	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	9,251,008	Investment
Cepheus International Co., Ltd.	2007.11.09	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	39,004	Investment
Neat Co., Ltd.	2017.03.03	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	279	International Trade
Next Level, Ltd.	2019.01.25	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	279	Investment
Cor Ventures Pte. Ltd.	2020.03.27	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	1,536,919	Investment
Catcher Technology (Suqian) Co., Ltd.	2008.12.09	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	5,536,000	Production, sales, and development of various alloys.
VITO Technology (Suqian) Co., Ltd.	2012.07.11	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	5,439,610	Production, sales, and development of various alloys.
Arcadia Technology (Suqian) Co., Ltd.	2014.10.23	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	5,572,166	Production, sales, and development of various alloys.
Envio Technology (Suqian) Co., Ltd.	2017.05.18	No. 21 Gucheng Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	2,785,913	Production, sales, and development of various alloys.
Yakila Technology (Suzhou) Co., Ltd.	2005.03.21	Plant A08, A09, A10, Suzhou Suqian Industrial Square, Qinghaihu Road, Suzhou Suqian Industrial Park, Suqian City, Jiangsu Province	38,752	Production and sales of various molds and electronic components.
Key Yao Co., Ltd.	2018.03.07	13th Floor, No. 99, Section 2, Dunhua South Road, Daan District, Taipei City.	3,000,000	Investment
Yi Sheng Co., Ltd.	2018.03.07	13th Floor, No. 99, Section 2, Dunhua South Road, Daan District, Taipei City.	1,000,000	Investment
Yi De Co., Ltd.	2018.03.07	13th Floor, No. 99, Section 2, Dunhua South Road, Daan District, Taipei City.	1,000,000	Investment
Catcher Medtech Co., Ltd.	2021.09.24	1st Floor, No. 10, Yongke 5th Road, Yongkang District, Tainan City	200,000	Manufacturing and Wholesale of Drugs and Medical Goods

3. Information on the same shareholder of affiliates presumed to have a relationship of control or subordination: None.

4. Main business activities of affiliates and the connection therebetween

December 31, 2021

Industry category	Affiliate	Connection with the business activities of other affiliates
Investment	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., and Cor Ventures Pte. Ltd.
Investment	Gigamag Co., Ltd.	Invested in Neat Co., Ltd.
Investment	Castmate International Co., Ltd.	Invested in Cygnus International Co., Ltd.
Investment	Stella International Co., Ltd.	Invested in Lyra International Co., Ltd.
Investment	Aquila International Co., Ltd.	Invested in Cygnus International Co., Ltd.
Investment	Uranus International Co., Ltd.	Invested in Catcher Technology (Suqian) Co., Ltd. and VITO Technology (Suqian) Co., Ltd.
Investment	Norma International Co., Ltd.	Invested in Arcadia Technology (Suqian) Co., Ltd. and Envio Technology (Suqian) Co., Ltd.
Investment	Cygnus International Co., Ltd.	
Investment	Lyra International Co., Ltd.	
Investment	Cepheus International Co., Ltd.	Invested in Yakila Technology (Suzhou) Co., Ltd.
Investment	Next Level, Ltd.	None
Investment	Key Yao Co., Ltd.	None
Investment	Yi Sheng Co., Ltd.	None
Investment	Yi De Co., Ltd.	None
Manufacturing	Catcher Medtech Co., Ltd.	None
International Trade	Neat Co., Ltd.	None
Investment	Cor Ventures Pte. Ltd.	None
Production and sales of electronic products	Catcher Technology (Suqian) Co., Ltd.	Production, sales, and development of various alloys
Production and sales of electronic products	VITO Technology (Suqian) Co., Ltd.	Production, sales, and development of various alloys
Production and sales of electronic products	Arcadia Technology (Suqian) Co., Ltd.	Production, sales, and development of various alloys
Production and sales of electronic products	Envio Technology (Suqian) Co., Ltd.	Production, sales, and development of various alloys
Production and sales of electronic products	Yakila Technology (Suzhou) Co., Ltd.	Production and sales of various molds and electronic components

5. Information on directors, supervisors, and presidents of affiliate companies:

Unit: shares ; %

December 31, 2021

Company name	Title	Name or Representative	Shareholding	
			Shares	Shareholding 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	Mei-hsing Chen	0	0%
Cygnus International Co., Ltd.	Director	Mei-hsing Chen	0	0%
Lyra International Co., Ltd.	Director	Mei-hsing Chen	0	0%
Cepheus International Co., Ltd.	Director	Mei-hsing Chen	0	0%
Norma International Co., Ltd.	Director	Mei-hsing Chen	0	0%
Neat Co., Ltd.	Director	Gigamag Co., Ltd.	10,000	100%
Cor Ventures Pte. Ltd.	Director	Wei-jou Hung	0	0%

Company name	Title	Name or Representative	Shareholding	
			Shares	Shareholding 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		
	Supervisor	Uranus International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-tzu 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		
	Supervisor	Uranus International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-tzu 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		
	Supervisor	Norma International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-tzu 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		
	Supervisor	Norma International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Tien-tzu Hung	0	0%

Company name	Title	Name or Representative	Shareholding	
			Shares	Shareholding percentage
Yakila Technology (Suzhou) Co., Ltd.	Director and Chairperson	Cepheus International Co., Ltd.	0	0%
		Representative: Chia-kuei Wang		
	Director	Cepheus International Co., Ltd.	0	0%
		Representative: Chun-lin Kuo		
	Director	Cepheus International Co., Ltd.	0	0%
		Representative: Chin-wen Chuang		
	Supervisor	Cepheus International Co., Ltd.	0	0%
		Representative: Ming-yu Teng		
	President	Chia-kuei Wang	0	0%
Ke Yue Co., Ltd.	Chairperson	Catcher Technology Co., Ltd. Representative: Tang-lung Hsu	198,390,000	100%
	Director	Catcher Technology Co., Ltd. Representative: Yu-yen Lin	198,390,000	100%
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-yu Teng	198,390,000	100%
Yi Sheng Co., Ltd.	Chairperson	Catcher Technology Co., Ltd. Representative: Tang-lung Hsu	73,270,000	100%
	Director	Catcher Technology Co., Ltd. Representative: Yu-yen Lin	73,270,000	100%
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-yu Teng	73,270,000	100%
Yi De Co., Ltd.	Chairperson	Catcher Technology Co., Ltd. Representative: Tang-lung Hsu	73,270,000	100%
	Director	Catcher Technology Co., Ltd. Representative: Yu-yen Lin	73,270,000	100%
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-yu Teng	73,270,000	100%
Catcher Medtech Co., Ltd.	Chairperson	Catcher Technology Co., Ltd. Representative: Tang-lung Hsu	20,000,000	100%
	Director	Catcher Technology Co., Ltd. Representative: Hsu-yuan Li	20,000,000	100%
	Director	Catcher Technology Co., Ltd. Representative: Chung-kai Hung	20,000,000	100%
	Supervisor	Catcher Technology Co., Ltd. Representative: Wen-chung Yeh	20,000,000	100%

6. Operational Highlights

Unit: NT\$1,000

December 31, 2021

Company name	Paid-in Capital (end of the period)	Total Value of Assets	Total Liabilities	Net worth (shareholder s' equity)	Operating revenue	Operating profit (loss)	Net profit or loss for the current period (after tax)	EPS (after tax)(NT\$)
Nanomag International Co., Ltd.	1	154,229,542	1,040,068	153,189,474	-	-466,934	10,350,209	345,006,967
Gigamag Co., Ltd.	484,941	1,722,884	895,701	827,183	4,973	-242,590	-235,549	-16
Castmate International Co., Ltd.	28,127	4,398,802	-	4,398,802	-	-74	1,086,700	1,076
Cygnus International Co., Ltd.	278,747	4,119,501	6,337	4,113,164	-	-103	1,084,791	108
Stella International Co., Ltd.	9,251,725	16,098,276	-	16,098,276	-	-	-1,717,474	-5
Lyra International Co., Ltd.	9,251,008	16,106,081	7,813	16,098,268	543,562	-2,896,152	-1,717,474	-5
Uranus International Co., Ltd.	11,116,401	22,150,875	58,734	22,092,141	-	-99	4,834,820	12
Norma International Co., Ltd.	8,345,009	9,747,830	277,681	9,470,149	-	-97	3,647,620	12
Aquila International Co., Ltd.	41,604	200,722	2,365	198,356	-	-2,658	84,959	61
Cepheus International Co., Ltd.	39,004	199,816	50	199,765	-	-97	87,605	63
Neat Co., Ltd.	279	208	-	208	-	-33	-34	-3
Next Level Ltd.	279	2,200,097	1,880,276	319,821	4,890,035	168,021	177,964	17,796
Cor Ventures Pte. Ltd.	1,536,919	1,615,752	2,833	1,612,920	-	-8,269	91,317	2
Key Yao Co., Ltd.	3,000,000	2,999,441	23,174	2,976,268	-	-39,330	-43,422	-0
Yi Sheng Co., Ltd.	1,000,000	1,018,204	93	1,018,111	-	-316	-2,890	-0
Yi De Co., Ltd.	1,000,000	1,035,735	14,407	1,021,328	-	-316	-297	-0
Catcher Medtech Co., Ltd.	200,000	200,009	-	200,009	-	-28	9	0
Catcher Technology (Suqian) Co., Ltd.	5,536,000	14,165,117	1,879,598	12,285,519	15,967,036	4,753,532	2,866,631	Note
VITO Technology (Suqian) Co., Ltd.	5,439,610	12,113,906	2,309,522	9,804,384	8,573,079	572,438	1,115,457	Note
Arcadia Technology (Suqian) Co., Ltd.	5,572,166	12,301,912	6,838,017	5,463,895	8,521,046	2,810,750	3,402,108	Note
Yakila Technology (Suzhou) Co., Ltd.	38,752	200,595	1,536	199,059	467,557	151,299	117,668	Note
Envio Technology (Suqian) Co., Ltd.	2,785,913	3,892,878	449,919	3,442,959	3,187,641	-58,526	265,183	Note

Note: Not applicable to a limited company.

(II) Consolidated Financial Statements of Affiliates

Declaration of Consolidated Financial Statements of Affiliated Companies

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises ” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2021 (from January 1, 2021 to December 31, 2021) 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.

In witness thereof, the Declaration is hereby presented.

Company name : Catcher Technology Co., Ltd.

Chairperson: Shui-shu Hung



February 24, 2022

(III) Affiliation Report:

None.

II. Private placement of marketable securities in the most recent year and the current year up till the publication date of this annual report

None.

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and the current year up to the publication date of this annual report

None.

IV. Other matters that require additional explanation

None.

Chapter 9. Any events in the most recent year and the current year up to the publication date of this annual report that materially affect shareholders' equity or the price of securities as defined in Paragraph, 2 Subparagraph 2, Article 36 of the Securities and Exchange Act

None.

Attachment I

Catcher Technology Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 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, 2021 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 24, 2022

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, 2021 and 2020, 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 (please 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, 2021 and 2020, 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, 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. 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, 2021 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 of 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, 2021 and 2020 on which we have issued an unqualified 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 year ended December 31, 2021, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for certain subsidiaries, are based solely on the reports of other auditors. The total asset of certain subsidiaries was NT\$6,669,132 thousand, accounting for 3%, of consolidated total assets as of December 31, 2021; the total comprehensive income was NT\$115,737 thousand, accounting for 2%, of consolidated total comprehensive income for the year ended December 31, 2021.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the 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, 2021 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 24, 2022

Notice to Readers

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 53,115,285	22	\$ 111,882,981	44
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,967,937	2	349,801	-
Financial at fair value through other comprehensive income - current (Notes 4 and 8)	1,870,987	1	-	-
Financial assets at amortized cost - current (Notes 4 and 9)	122,046,739	49	65,333,889	26
Note Receivable (Notes 4 and 11)	-	-	21	-
Trade receivables (Notes 4, 11 and 25)	9,665,413	4	17,317,501	7
Other receivables (Notes 4 and 11)	503,406	-	306,029	-
Current tax assets (Notes 4 and 27)	425,494	-	90,318	-
Inventories (Notes 4, 5, 12 and 33)	3,316,762	1	6,003,807	2
Other current assets (Note 19)	406,109	-	593,003	-
Total current assets	195,318,132	79	201,877,350	79
NON-CURRENT ASSETS				
Financial at fair value through profit or loss - non-current (Notes 4 and 7)	958,795	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	5,430,345	2	652,880	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	21,891,382	9	24,585,406	10
Investments accounted for using the equity method (Notes 4 and 14)	8,050	-	11,583	-
Property, plant and equipment (Notes 4, 15 and 33)	17,868,347	7	22,567,706	9
Right-of-use assets (Notes 4 and 16)	1,016,568	1	1,245,224	-
Investment properties (Notes 4 and 17)	221,565	-	500,299	-
Intangible assets (Notes 4 and 18)	57,707	-	38,004	-
Deferred tax assets (Notes 4 and 27)	4,058,919	2	4,346,647	2
Other non-current assets (Note 19)	72,993	-	78,096	-
Total non-current assets	51,584,671	21	54,025,845	21
TOTAL	<u>\$ 246,902,803</u>	<u>100</u>	<u>\$ 255,903,195</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 78,031,726	32	\$ 70,465,726	27
Contract liabilities - current (Notes 4 and 25)	32,742	-	12,545	-
Trade payables (Note 21)	3,465,780	1	7,691,968	3
Other payables (Note 22)	5,983,148	2	6,924,658	3
Current tax liabilities (Notes 4 and 27)	309,608	-	3,997,201	2
Lease liabilities - current (Notes 4 and 16)	13,168	-	17,584	-
Other current liabilities (Note 22)	1,396,923	1	2,352,993	1
Total current liabilities	89,233,095	36	91,462,675	36
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 27)	6,100,759	3	6,197,748	2
Lease liabilities - non-current (Notes 4 and 16)	126,873	-	142,925	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	6,578	-	6,558	-
Other non-current liabilities (Note 22)	8,776	-	21,687	-
Total non-current liabilities	6,242,986	3	6,368,918	2
Total liabilities	95,476,081	39	97,831,593	38
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital - ordinary shares	7,616,181	3	7,616,181	3
Capital surplus	20,008,824	8	20,008,231	8
Retained earnings				
Legal reserve	21,497,294	8	19,532,131	8
Special reserve	14,394,310	6	12,188,506	5
Unappropriated earnings	108,287,799	44	113,024,326	44
Total retained earnings	144,179,403	58	144,744,963	57
Other equity	(16,961,466)	(7)	(14,394,310)	(6)
Treasure shares	(3,465,809)	(1)	-	-
Total equity attributable to owners of the Company	151,377,133	61	157,975,065	62
NON-CONTROLLING INTERESTS	49,589	-	96,537	-
Total equity	151,426,722	61	158,071,602	62
TOTAL	<u>\$ 246,902,803</u>	<u>100</u>	<u>\$ 255,903,195</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 25 and 26)	\$ 41,094,979	100	\$ 82,506,032	100
OPERATING COSTS (Notes 12, 23 and 26)	<u>27,525,852</u>	<u>67</u>	<u>60,586,781</u>	<u>73</u>
GROSS PROFIT	<u>13,569,127</u>	<u>33</u>	<u>21,919,251</u>	<u>27</u>
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	412,142	1	652,469	1
General and administrative expenses	2,714,528	7	4,746,964	6
Research and development expenses	<u>1,682,336</u>	<u>4</u>	<u>1,584,650</u>	<u>2</u>
Total operating expenses	<u>4,809,006</u>	<u>12</u>	<u>6,984,083</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>8,760,121</u>	<u>21</u>	<u>14,935,168</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 26 and 29)				
Interest income	822,797	2	2,001,921	3
Other income	2,207,343	5	3,865,654	5
Foreign exchange gains (losses), net	(2,428,032)	(6)	(5,625,516)	(7)
Other gains	3,194,966	8	26,246,911	32
Interest expense	(483,010)	(1)	(576,237)	(1)
Share of profit (loss) of associates	<u>(3,533)</u>	<u>-</u>	<u>(712)</u>	<u>-</u>
Total non-operating income and expenses	<u>3,310,531</u>	<u>8</u>	<u>25,912,021</u>	<u>32</u>
PROFIT BEFORE INCOME TAX	12,070,652	29	40,847,189	50
INCOME TAX EXPENSE (Notes 4, 27 and 29)	<u>3,474,369</u>	<u>8</u>	<u>19,681,121</u>	<u>24</u>
NET PROFIT	<u>8,596,283</u>	<u>21</u>	<u>21,166,068</u>	<u>26</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	5,617	-	(27,978)	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (2,534,112)	(6)	\$ (2,176,688)	(3)
Unrealized gain (loss) on investment in debt instrument at fair value through other comprehensive income	<u>(41,301)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(2,569,796)</u>	<u>(6)</u>	<u>(2,204,666)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 6,026,487</u>	<u>15</u>	<u>\$ 18,961,402</u>	<u>23</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,575,044	21	\$ 21,129,820	26
Non-controlling interests	<u>21,239</u>	<u>-</u>	<u>36,248</u>	<u>-</u>
	<u>\$ 8,596,283</u>	<u>21</u>	<u>\$ 21,166,068</u>	<u>26</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,006,701	15	\$ 18,924,016	23
Non-controlling interests	<u>19,786</u>	<u>-</u>	<u>37,386</u>	<u>-</u>
	<u>\$ 6,026,487</u>	<u>15</u>	<u>\$ 18,961,402</u>	<u>23</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 11.31</u>		<u>\$ 27.65</u>	
Diluted	<u>\$ 11.24</u>		<u>\$ 27.42</u>	

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings					Other Equity		Total	Treasury Shares	Total	Non-controlling Interests	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, 2020	\$ 7,703,911	\$ 20,237,791	\$ 18,404,919	\$ 7,410,317	\$ 106,894,281	\$ (12,148,648)	\$ (39,858)	\$ (12,188,506)	\$ -	\$ 148,462,713	\$ 125,794	\$ 148,588,507
Appropriation of the 2019 earnings (Note 24)												
Legal reserve	-	-	1,127,212	-	(1,127,212)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,778,189	(4,778,189)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,616,181)	-	-	-	-	(7,616,181)	-	(7,616,181)
Changes in capital surplus from donations from shareholders	-	907	-	-	-	-	-	-	-	907	-	907
Net profit for the year ended December 31, 2020	-	-	-	-	21,129,820	-	-	-	-	21,129,820	36,248	21,166,068
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,177,826)	(27,978)	(2,205,804)	-	(2,205,804)	1,138	(2,204,666)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	21,129,820	(2,177,826)	(27,978)	(2,205,804)	-	18,924,016	37,386	18,961,402
Buy back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(1,796,390)	(1,796,390)	-	(1,796,390)
Cancellation of treasury shares (Note 24)	(87,730)	(230,467)	-	-	(1,478,193)	-	-	-	1,796,390	-	-	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(66,643)	(66,643)
BALANCE AT DECEMBER 31, 2020	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)
Changes in capital surplus from donations from 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 (Note 8)	-	-	-	-	(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 interests	-	-	-	-	-	-	-	-	-	-	(66,734)	(66,734)
BALANCE AT DECEMBER 31, 2021	<u>\$ 7,616,181</u>	<u>\$ 20,008,824</u>	<u>\$ 21,497,294</u>	<u>\$ 14,394,310</u>	<u>\$ 108,287,799</u>	<u>\$ (16,859,133)</u>	<u>\$ (102,333)</u>	<u>\$ (16,961,466)</u>	<u>\$ (3,465,809)</u>	<u>\$ 151,377,133</u>	<u>\$ 49,589</u>	<u>\$ 151,426,722</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 12,070,652	\$ 40,847,189
Adjustments for:		
Depreciation expense	4,861,668	8,722,617
Amortization expense	56,971	67,050
Net loss (gain) on financial instruments at fair value through profit or loss	(385,336)	(25,008)
Interest expense	483,010	576,237
Interest income	(822,797)	(2,001,921)
Dividend income	(79,490)	(19,443)
Share of (profit) loss of associates	3,533	712
Gain on disposal of property, plant and equipment	(394,635)	(147,930)
Loss on disposal of investment properties	-	768
Loss on disposal of subsidiaries	(2,782,368)	(25,951,192)
Write-down of inventories	-	4,471,489
Net (gain) loss on disposal of financial assets	324	-
Unrealized (gain) loss on foreign currency exchange	(511,224)	483,076
Changes in operating assets and liabilities		
Notes receivable	21	(21)
Trade receivables	7,537,771	4,463,252
Other receivables	63,608	(3,814,660)
Inventories	2,701,094	(4,223,626)
Other current assets	(52,196)	257,456
Contract liabilities	43,815	(8,585)
Notes payable	-	(23,824)
Trade payables	(4,195,540)	1,258,600
Other payables	(874,837)	3,498,643
Other current liabilities	(917,308)	1,006,141
Net defined benefit liabilities	20	-
Other non-current liabilities	(10)	(10)
Cash generated from operations	16,806,746	29,437,010
Dividends received	79,490	19,443
Income tax paid	(7,360,949)	(9,153,241)
Net cash generated from operating activities	<u>9,525,287</u>	<u>20,303,212</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(7,098,239)	(160,881)
Proceeds from sale of financial at fair value through other comprehensive income	368,687	-
Purchase of financial assets at amortized cost	(381,385,262)	(377,084,044)
Proceeds from sale of financial assets at amortized cost	325,065,955	366,881,978
Purchase of financial assets at fair value through profit or loss	(10,130,371)	(413)
Proceeds from disposals of financial assets at fair value through profit or loss	5,742,348	-
Net cash inflow on disposal of subsidiaries (Note 29)	5,014,762	40,293,028

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for property, plant and equipment	\$ (981,815)	\$ (1,451,599)
Proceeds from disposal of property, plant and equipment	422,523	152,722
Increase in refundable deposits	(44,113)	(17,953)
Decrease in refundable deposits	61,102	7,363
Payments for intangible assets	(34,996)	(19,834)
Payments for investment properties	(410)	(4,907)
Proceeds from disposal of investment properties	-	178
Interest received	<u>737,013</u>	<u>2,362,960</u>
Net cash generated from (used in) investing activities	<u>(62,262,816)</u>	<u>30,958,598</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	321,126,452	311,787,729
Repayments of short-term borrowings	(313,560,452)	(307,769,676)
Proceeds from guarantee deposits received	16,153	10,448
Refunds of guarantee deposits received	(13,949)	(10,338)
Repayment of the principal portion of lease liabilities	(15,325)	(56,250)
Cash dividends paid	(9,139,417)	(7,616,181)
Payments for buy-back of ordinary shares	(3,421,174)	(1,796,390)
Interest paid	(478,630)	(602,769)
Decrease in non-controlling interests	(66,734)	(66,643)
Proceeds from unclaimed dividends	<u>593</u>	<u>907</u>
Net cash used in financing activities	<u>(5,552,483)</u>	<u>(6,119,163)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(477,684)</u>	<u>(2,276,912)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(58,767,696)	42,865,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>111,882,981</u>	<u>69,017,246</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 53,115,285</u>	<u>\$ 111,882,981</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (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 24, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
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, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 3: The amendments are 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 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur 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 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 8 and 9 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 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

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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. 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 Law 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

As of December 31, 2021 and 2020, 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 that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2021 will be used for permanent investment; the proposal was approved by the board of directors on February 24, 2022. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings. 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. Due to the government's implementation of The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Group evaluated the optimization of its working capital and tax planning. The board of directors of Gigamag Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on July 28, 2020, which has been approved by the government. Remaining inappropriate retained earnings of other overseas subsidiaries will still be used for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 1,794	\$ 3,330
Demand deposits in banks	11,352,246	34,838,700
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	41,597,648	76,439,595
Repurchase agreements	66,050	601,356
Commercial paper	97,547	-
	<u>\$ 53,115,285</u>	<u>\$ 111,882,981</u>

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

	December 31	
	2021	2020
Time deposits	0.17%-2.95%	0.11%-3%
Repurchase agreements	1%	1.05%-1.1%
Commercial paper	0.3%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<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	1,744,446	349,801
	<u>\$ 3,967,937</u>	<u>\$ 349,801</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily at FVTPL		
Non-derivative financial assets		
Private equity funds	\$ 661,216	\$ -
Private equity securities	90,286	-
Limited partnerships	132,557	-
Simple Agreement for Future Equity (SAFE)	74,736	-
	<u>\$ 958,795</u>	<u>\$ -</u>

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

	December 31	
	2021	2020
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ <u>1,870,987</u>	\$ <u>-</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	\$ 859,146	\$ 652,880
Investments in debt instruments at FVTOCI	<u>4,571,199</u>	<u>-</u>
	<u>\$ 5,430,345</u>	<u>\$ 652,880</u>

a. Investments in equity instruments

	December 31	
	2021	2020
<u>Current</u>		
Domestic investments		
Listed shares	\$ <u>1,870,987</u>	\$ <u>-</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares	\$ 36,240	\$ 84,180
Foreign investments		
Limited partnerships	<u>822,906</u>	<u>568,700</u>
	<u>\$ 859,146</u>	<u>\$ 652,880</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\$10,387 thousand and US\$ 5,597 thousand in China Renewable Energy Fund, L.P. in February 2021 and October 2020, 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.

b. Investments in debt instrument

	December 31	
	2021	2020
<u>Non-current</u>		
Foreign corporate bonds	\$ 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	
	2021	2020
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 121,521,790	\$ 65,314,334
Repurchase agreements (a)	523,700	-
Refundable deposits	1,249	19,555
	<u>\$ 122,046,739</u>	<u>\$ 65,333,889</u>
<u>Non-current</u>		
Domestic investments		
Restricted bank deposits (a and b)	\$ 21,635,436	\$ 24,321,980
Time deposits with original maturity of more than 1 year (a)	254,196	261,556
Refundable deposits	1,750	1,870
	<u>\$ 21,891,382</u>	<u>\$ 24,585,406</u>

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

	December 31	
	2021	2020
Time deposits	0.12%-2.72%	0.28%-2.22%
Repurchase agreements	1%-1.2%	-

b. Restricted bank deposits were funds that the Group deposited in the segregated foreign exchange deposit account in accordance with “The Management, Utilization, and Taxation of Repatriated offshore Funds Act”.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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.

11. NOTES RECEIVABLES, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	2020
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 21
Notes receivable - operating	\$ -	\$ 21
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 9,722,596	\$ 17,374,684
Less: Allowance for impairment loss	(57,183)	(57,183)
	<u>\$ 9,665,413</u>	<u>\$ 17,317,501</u>
Other receivables	<u>\$ 503,406</u>	<u>\$ 306,029</u>

a. Notes receivable

The Group analyzed the notes receivable that were not past due based on the past due status, and the Group did not recognize an allowance for loss on notes receivable as of December 31, 2021 and 2020.

b. 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 forecasts 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, 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>

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 120 Days	Total
Expected credit loss rate	0% ~ 0.337%	0% ~ 2.346%	0% ~ 9.936%	
Gross carrying amount	\$ 16,988,396	\$ 385,907	\$ 381	\$ 17,374,684
Loss allowance (Lifetime ECLs)	<u>(57,165)</u>	<u>(17)</u>	<u>(1)</u>	<u>(57,183)</u>
Amortized cost	<u>\$ 16,931,231</u>	<u>\$ 385,890</u>	<u>\$ 380</u>	<u>\$ 17,317,501</u>

There is no movements of the loss allowance of trade receivables in 2021 and 2020.

c. 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, 2021 and 2020.

12. INVENTORIES

	December 31	
	2021	2020
Merchandise	\$ 11,033	\$ 44,250
Finished goods	2,045,964	4,333,700
Work-in-process and semi-finished goods	934,852	1,279,262
Raw materials and supplies	<u>324,913</u>	<u>346,595</u>
	<u>\$ 3,316,762</u>	<u>\$ 6,003,807</u>

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

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	\$ 27,878,618	\$ 56,216,023
Inventory write-downs	-	4,471,489
Others	<u>(352,766)</u>	<u>(100,731)</u>
	<u>\$ 27,525,852</u>	<u>\$ 60,586,781</u>

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Main Business	% of Ownership December 31		Remark
			2021	2020	
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	Note 1
	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	-	
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	
	Cygnus International Co., Ltd.	Investing activities	100	100	
Castmate International Co., Ltd.					
Cygnus International Co., Ltd.	Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	100	Note 3
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	Note 3
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	100	
	Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	-	Note 2
	Meecca Technology (Taizhou) 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	
	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	100	
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	100	

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, and the settlement was completed in December 2020. Refer to Note 29 for related disclosures of disposal of subsidiaries.

Note 3: The board of directors of the Company resolved to dispose of all shares of the subsidiaries, and the settlement was completed in December 2021. Refer to Note 29 for related disclosures of disposal of subsidiaries.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in associates		
Associates that are not individually material	\$ <u>8,050</u>	\$ <u>11,583</u>

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

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net profit and total comprehensive income (loss) for the year	\$ <u>(3,533)</u>	\$ <u>(712)</u>

15. PROPERTY, PLANT AND EQUIPMENT

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

See Table 11 for the statements of changes in property, plant and equipment for the years ended December 31, 2021 and 2020.

No impairment assessment was performed for the years ended December 31, 2021 and 2020 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	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 1,000,840	\$ 1,225,208
Buildings	<u>15,728</u>	<u>20,016</u>
	\$ <u>1,016,568</u>	\$ <u>1,245,224</u>

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	\$ <u>10,518</u>	\$ <u>68,528</u>
Depreciation charge for right-of-use assets		
Land	\$ 30,519	\$ 47,409
Buildings	<u>11,208</u>	<u>10,370</u>
	\$ <u>41,727</u>	\$ <u>57,779</u>
Income from the subleasing of right-of-use assets (recognized as operating revenue)	\$ <u>2,238</u>	\$ <u>2,225</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.

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	\$ <u>13,168</u>	\$ <u>17,584</u>
Non-current	\$ <u>126,873</u>	\$ <u>142,925</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	2020
Land	0.71%	0.71%
Buildings	0.71%	0.71% and 4.9%

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	
	2021	2020
Year 1	\$ 2,269	\$ 1,669

e. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	\$ 4,366	\$ 5,074
Expenses relating to low-value asset leases	\$ 820	\$ 1,793
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 22,618	\$ 36,842
Total cash outflow for leases	\$ 46,110	\$ 112,524

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, 2020	\$ 203,363	\$ 893,370	\$ 1,096,733
Additions	-	4,907	4,907
Disposals	-	(9,446)	(9,446)
Effect of foreign currency exchange difference	-	11,498	11,498
Balance at December 31, 2020	<u>\$ 203,363</u>	<u>\$ 900,329</u>	<u>\$ 1,103,692</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ -	\$ 560,885	\$ 560,885
Depreciation	-	43,607	43,607
Disposals	-	(8,500)	(8,500)
Effect of foreign currency exchange difference	-	7,401	7,401
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 603,393</u>	<u>\$ 603,393</u>
Carrying amount at December 31, 2020	<u>\$ 203,363</u>	<u>\$ 296,936</u>	<u>\$ 500,299</u>

(Continued)

	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)
	<u> </u>	<u> </u>	<u> </u>
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)
	<u> </u>	<u> </u>	<u> </u>
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>
			(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	
	2021	2020
Fair value	<u>\$ 768,833</u>	<u>\$ 2,334,976</u>

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

The investment properties are leased out from February 2017 to March 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	
	2021	2020
Year 1	\$ 10,037	\$ 63,166
Year 2	7,560	58,889
Year 3	7,560	13,309
Year 4	7,560	7,560
Year 5	7,560	7,560
Year 6 onwards	<u>1,565</u>	<u>9,135</u>
	<u>\$ 41,842</u>	<u>\$ 159,619</u>

18. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Emission License	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 344,626	\$ -	\$ 16,783	\$ 361,409
Additions	19,834	-	-	19,834
Disposal of subsidiaries	(31,423)	-	(17,205)	(48,628)
Effect of foreign currency exchange differences	<u>2,893</u>	<u>-</u>	<u>422</u>	<u>3,315</u>
Balance at December 31, 2020	<u>\$ 335,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,930</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2020	\$ 254,080	\$ -	\$ 5,874	\$ 259,954
Amortization expense	57,650	-	3,346	60,996
Disposal of subsidiaries	(15,851)	-	(9,463)	(25,314)
Effect of foreign currency exchange differences	<u>2,047</u>	<u>-</u>	<u>243</u>	<u>2,290</u>
Balance at December 31, 2020	<u>\$ 297,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,926</u>
Carrying amount at December 31, 2020	<u>\$ 38,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,004</u>

(Continued)

	Computer Software	Technical Skill	Emission License	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	(870)	-	-	(870)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2021	<u>\$ 360,406</u>	<u>\$ 29,700</u>	<u>\$ -</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	(516)	-	-	(516)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2021	<u>\$ 325,899</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ 322,399</u>
Carrying amount at December 31, 2021	<u>\$ 34,507</u>	<u>\$ 23,200</u>	<u>\$ -</u>	<u>\$ 57,707</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
Technical skill	2.5 years
Emission license	5 years

19. OTHER ASSETS

	December 31	
	2021	2020
<u>Current</u>		
Net Input VAT	\$ 89,292	\$ 271,331
Office supplies	174,945	202,579
Prepaid expenses	140,863	114,465
Others	<u>1,009</u>	<u>4,628</u>
	<u>\$ 406,109</u>	<u>\$ 593,003</u>

(Continued)

	December 31	
	2021	2020
<u>Non-current</u>		
Prepaid equipment	\$ 60,922	\$ 77,196
Others	<u>12,071</u>	<u>900</u>
	<u>\$ 72,993</u>	<u>\$ 78,096</u>
		(Concluded)

20. SHORT-TERM BORROWINGS

	December 31	
	2021	2020
<u>Unsecured borrowings</u>		
Bank unsecured loans	<u>\$ 78,031,726</u>	<u>\$ 70,465,726</u>

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

	December 31	
	2021	2020
Bank unsecured loans	0.60%-0.88%	0.59%-0.87%

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	
	2021	2020
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 2,705,255	\$ 3,149,338
Payables for salaries and bonuses	1,287,033	1,641,648
Payables for technical service fees	708,463	424,678
Payables for professional service fees	34,999	313,657
Payables for office supplies	224,733	179,285
Payables for purchases of equipment	111,709	138,474
Payables for annual leave	132,498	126,473
Payables for taxes	70,675	115,567
		(Continued)

	December 31	
	2021	2020
Payables for rework cost	\$ -	\$ 90,364
Payables for shipping expenses and warehousing	39,845	88,228
Payables for utilities	71,357	75,349
Payables for maintenance	50,573	46,116
Payables for meals	47,714	44,041
Payables for interest	13,836	12,451
Others	<u>484,458</u>	<u>478,989</u>
	<u>\$ 5,983,148</u>	<u>\$ 6,924,658</u>
Other liabilities		
Advance receipts	\$ 748,548	\$ 1,690,202
Deferred revenue	584,546	606,496
Payables for value-added tax	32,406	20,183
Guarantee deposits received	15,952	13,680
Others	<u>15,471</u>	<u>22,432</u>
	<u>\$ 1,396,923</u>	<u>\$ 2,352,993</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 8,776	\$ 21,677
Others	<u>-</u>	<u>10</u>
	<u>\$ 8,776</u>	<u>\$ 21,687</u>

(Concluded)

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	
	2021	2020
Present value of defined benefit obligation	\$ 80,463	\$ 80,599
Fair value of plan assets	<u>(73,885)</u>	<u>(74,041)</u>
Net defined benefit liabilities	<u>\$ 6,578</u>	<u>\$ 6,558</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, 2020	\$ 78,352	\$ (71,794)	\$ 6,558
Service cost			
Current service cost	1,953	-	1,953
Net interest expense (income)	627	(582)	45
Recognized in profit or loss	<u>2,580</u>	<u>(582)</u>	<u>1,998</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,397)	(2,397)
Actuarial loss - changes in demographic assumptions	804	-	804
Actuarial loss - changes in financial assumptions	4,017	-	4,017
Actuarial gain - experience adjustments	(2,424)	-	(2,424)
Recognized in other comprehensive income	<u>2,397</u>	<u>(2,397)</u>	<u>-</u>
Contributions from the employer	-	(1,998)	(1,998)
Benefits paid	<u>(2,730)</u>	<u>2,730</u>	<u>-</u>
Balance at December 31, 2020	<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)	282	(262)	20
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 loss - changes in financial assumptions	(3,425)	-	(3,425)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial gain - experience adjustments	\$ 205	\$ -	\$ 205
Recognized in other comprehensive income	1,092	(1,092)	-
Contributions from the employer	-	(2,116)	(2,116)
Benefits paid	(3,626)	3,626	-
Balance at December 31, 2021	<u>\$ 80,463</u>	<u>\$ (73,885)</u>	<u>\$ 6,578</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	
	2021	2020
Operating costs	\$ 1,365	\$ 1,341
Selling and marketing expenses	81	86
General and administrative expenses	384	371
Research and development expenses	<u>306</u>	<u>200</u>
	<u>\$ 2,136</u>	<u>\$ 1,998</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	
	2021	2020
Discount rate	0.75%	0.35%
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	
	2021	2020
Discount rate		
0.25% increase	\$ (2,182)	\$ (2,272)
0.25% decrease	\$ 2,253	\$ 2,349
Expected rate of salary increase		
0.25% increase	\$ 2,145	\$ 2,226
0.25% decrease	\$ (2,088)	\$ (2,165)

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	
	2021	2020
Expected contributions to the plan for the next year	\$ 2,116	\$ 1,998
Average duration of the defined benefit obligation	10 years	10 years

24. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
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)	761,618	761,618
Shares issued	\$ 7,616,181	\$ 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 May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020. The Company's paid-in capital was \$7,616,181 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 issued at US\$32.84 and represented 5 ordinary shares. The Company issued 6,700 thousand units of GDRs, representing 33,500 thousand ordinary shares.

As of December 31, 2021 and 2020, there were 417 thousand units and 805 thousand units of outstanding GDRs, equivalent to 2,084 thousand ordinary shares and 4,024 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2021	2020
<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	\$ 7,375,327	\$ 7,375,327
Arising from conversion of bonds	12,629,553	12,629,553
<u>May only be used to offset a deficit</u>		
Donations from shareholders	<u>3,944</u>	<u>3,351</u>
	<u>\$ 20,008,824</u>	<u>\$ 20,008,231</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.

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.

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 not be distributed if 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 2020 and 2019 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2020	2019
Legal reserve	\$ 1,965,163	\$ 1,127,212
Special reserve	\$ 2,205,804	\$ 4,778,189
Cash dividends	\$ 9,139,417	\$ 7,616,181
Cash dividends per share (NT\$)	\$ 12	\$ 10

The Company's board of directors resolved to distribute cash dividends on April 20, 2021 and May 18, 2020, respectively; the retained earnings were resolved by the shareholders in their meetings on August 27, 2021 and June 30, 2020, respectively.

d. Other equity items

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (14,326,474)	\$ (12,148,648)
Exchange differences on translating the financial statements of foreign operations	(2,532,659)	(2,177,826)
Balance at December 31	\$ (16,859,133)	\$ (14,326,474)

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (67,836)	\$ (39,858)
Recognized for the year		
Unrealized gain (loss) - equity instruments	5,617	(27,978)
Unrealized gain (loss) - debt instruments	(41,625)	-
Reclassification adjustments		
Disposal of investments in debt instruments	324	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>1,187</u>	<u>-</u>
Balance at December 31	<u>\$ (102,333)</u>	<u>\$ (67,836)</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance as of January 1	\$ 96,537	\$ 125,794
Share of profit for the year	21,239	36,248
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	(1,453)	1,138
Distribution of earnings of subsidiaries	<u>(66,734)</u>	<u>(66,643)</u>
Balance as of December 31	<u>\$ 49,589</u>	<u>\$ 96,537</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, 2020	-
Increase during the year	8,773
Decrease during the year	<u>8,773</u>
Number of shares at December 31, 2020	<u>-</u>

To maintain the Company's credit and shareholders' equity, on December 8, 2021, the Company's board of directors resolved to buy back 25,000 thousand shares from December 9, 2021 to February 8, 2022 at a price ranging from \$106.80 per share to \$238.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. On December 31, 2021 and February 8, 2022, the Company bought back 6,034 thousand shares and 16,332 thousand shares, respectively. At the end of the exercise period, the Company bought back 16,332 thousand shares with the total cost of \$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 \$109.2 per share to \$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 the total cost of \$2,533,309 thousand.

To maintain the Company's credit and shareholders' equity, on March 17, 2020, the Company's board of directors resolved to buy back 25,000 thousand shares from March 18, 2020 to May 17, 2020 at a price ranging from \$132 per share to \$354.2 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 8,773 thousand shares with the total cost of \$1,796,390 thousand. On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020.

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	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 41,031,606	\$ 82,441,627
Rental income	<u>63,373</u>	<u>64,405</u>
	<u>\$ 41,094,979</u>	<u>\$ 82,506,032</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, 2021	December 31, 2020	January 1, 2020
Trade receivables			
Gross carrying amount	\$ 9,722,596	\$ 17,374,684	\$ 23,661,147
Less: Allowance for impairment loss	<u>(57,183)</u>	<u>(57,183)</u>	<u>(57,183)</u>
	<u>\$ 9,665,413</u>	<u>\$ 17,317,501</u>	<u>\$ 23,603,964</u>
Contract liabilities - current			
Sale of goods	<u>\$ 32,742</u>	<u>\$ 12,545</u>	<u>\$ 25,614</u>

26. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	\$ 750,681	\$ 1,988,997
Investments in debt instruments at FVTOCI	65,898	-
Repurchase agreements	<u>6,218</u>	<u>12,924</u>
	<u>\$ 822,797</u>	<u>\$ 2,001,921</u>

b. Other income

	For the Year Ended December 31	
	2021	2020
Government grants	\$ 1,887,261	\$ 2,483,013
Tax refund income	-	1,230,578
Recycling income	211,924	121,676
Dividend income	79,490	19,443
Others	<u>28,668</u>	<u>10,944</u>
	<u>\$ 2,207,343</u>	<u>\$ 3,865,654</u>

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gains on disposal of subsidiaries (Note 29)	\$ 2,782,368	\$ 25,951,192
Fair value changes of financial assets mandatorily classified as at FVTPL	385,336	25,008
Gain (loss) on disposal of investment in debt instruments at FVTOCI	(324)	-
Others	<u>27,586</u>	<u>270,711</u>
	<u>\$ 3,194,966</u>	<u>\$ 26,246,911</u>

d. Interest expense

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 481,913	\$ 574,903
Interest on lease liabilities	<u>1,097</u>	<u>1,334</u>
	<u>\$ 483,010</u>	<u>\$ 576,237</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 4,263,892	\$ 7,748,827
Operating expenses	<u>597,776</u>	<u>973,790</u>
	<u>\$ 4,861,668</u>	<u>\$ 8,722,617</u>
An analysis of amortization by function		
Operating costs	\$ 26,688	\$ 39,994
Operating expenses	<u>30,283</u>	<u>27,056</u>
	<u>\$ 56,971</u>	<u>\$ 67,050</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2021	2020
Direct operating expenses from investment properties generating rental income	<u>\$ 42,709</u>	<u>\$ 46,431</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 10,175,285	\$ 18,750,911
Post-employment benefits		
Defined contribution plans	581,483	782,464
Defined benefit plans (Note 23)	<u>2,136</u>	<u>1,998</u>
	<u>583,619</u>	<u>784,462</u>
	<u>\$ 10,758,904</u>	<u>\$ 19,535,373</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 8,348,554	\$ 16,144,809
Operating expenses	<u>2,410,350</u>	<u>3,390,564</u>
	<u>\$ 10,758,904</u>	<u>\$ 19,535,373</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, 2021 and 2020, which were approved by the Company's board of directors on February 24, 2022 and March 10, 2021, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	5.33%	3.99%
Remuneration of directors	0.17%	0.05%

Amount

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 521,976	\$	\$ 1,164,883	\$ -
Remuneration of directors	16,400		15,523	-

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, 2020 and 2019.

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	
	2021	2020
Foreign exchange gains	\$ 3,479,782	\$ 10,071,675
Foreign exchange losses	<u>(5,907,814)</u>	<u>(15,697,191)</u>
	<u>\$ (2,428,032)</u>	<u>\$ (5,625,516)</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	
	2021	2020
Current tax		
In respect of the current year	\$ 2,934,532	\$ 9,653,260
Income tax on unappropriated earnings	340,681	-
Adjustment for prior years	(23,174)	400,439
Tax on repatriated offshore funds	-	2,294,302
	<u>3,252,039</u>	<u>12,348,001</u>
Deferred tax		
In respect of the current year	103,194	4,634,433
Adjustment for prior year	119,136	2,698,687
	<u>222,330</u>	<u>7,333,120</u>
	<u>\$ 3,474,369</u>	<u>\$ 19,681,121</u>

The Group's tax adjustment for prior year increased during 2020 mainly due to the amended corporate tax and income tax on unappropriated earnings, which resulted from VAT tax refund income received.

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

	For the Year Ended December 31	
	2021	2020
Profit before income tax	<u>\$ 12,070,652</u>	<u>\$ 40,847,189</u>
Income tax expense calculated at the statutory rate	\$ 2,349,997	\$ 4,196,539
Unrecognized temporary differences	(9,712)	(23,596)
Research and development tax credits from China	(212,021)	(127,496)
Non-deductible expenses in determining taxable income	15,033	46,317
Non-additive income in determining taxable income	-	(401,355)
Deferred tax effect of earnings of subsidiaries	(40,354)	5,185,790
Withholding tax on remittance of earnings	1,375,672	1,683,887
Tax-exempt income	(91,216)	(8,890)
Additional income tax on unappropriated earnings	340,681	-
Unrecognized loss carryforwards	(848,134)	752,129
Adjustments for prior years' deferred tax	119,136	2,698,687
Adjustments for prior years' tax	(23,174)	400,439
Tax on repatriated offshore funds	-	2,294,302
Capital gains tax on disposal of subsidiaries	<u>498,481</u>	<u>2,984,368</u>
	<u>\$ 3,474,369</u>	<u>\$ 19,681,121</u>

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

In July 2019, the president of the ROC announced The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, which stipulates that the applicable tax rate is adjusted from 20% to 8% for corporations applying for repatriation of funds within the approved period from August 15, 2019

to August 14, 2020. The repatriated funds should be deposited in the segregated foreign exchange deposit account for offshore funds, and the tax payable should be withheld by the account-handling bank. The Company repatriated funds of \$28,813,096 thousand (USD\$ 978,838 thousand), which was approved by the government in August and September 2020 and the tax of \$2,294,302 thousand was withheld.

b. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	\$ <u>425,494</u>	\$ <u>90,318</u>
Current tax liabilities		
Income tax payable	\$ <u>309,608</u>	\$ <u>3,997,201</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, 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	<u>41,649</u>	<u>(8,935)</u>	<u>(83)</u>	<u>32,631</u>
	4,047,032	(645,140)	(14,579)	3,387,313
Tax losses	<u>299,615</u>	<u>371,991</u>	<u>-</u>	<u>671,606</u>
	<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>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Provisions for losses on inventories	\$ 197,612	\$ 35,913	\$ 171	\$ 233,696
Depreciation differences	4,422,956	(1,715,251)	69,586	2,777,291
Unrealized intercompany profit	757,203	(153,105)	(1,649)	602,449
Unrealized sales returns	1,257	(1,226)	-	31
Defined benefit obligation	1,312	(1)	-	1,311
Payables for annual leave	39,088	(3,491)	328	35,925
Impairment loss on property, plant and equipment	173	(142)	-	31
Financial assets at FVTPL	9,143	(9,143)	-	-
Other payables	143	6,496	-	6,639
Right-of-use assets	61	(61)	-	-
Unrealized foreign exchange losses	233,031	114,979	-	348,010
Others	82,023	(41,361)	987	41,649
	<u>5,744,002</u>	<u>(1,766,393)</u>	<u>69,423</u>	<u>4,047,032</u>
Tax losses	<u>689,652</u>	<u>(397,024)</u>	<u>6,987</u>	<u>299,615</u>
	<u>\$ 6,433,654</u>	<u>\$ (2,163,417)</u>	<u>\$ 76,410</u>	<u>\$ 4,346,647</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Depreciation differences	\$ 26,552	\$ (16,087)	\$ -	\$ 10,465
Reserves for land value increment tax	12,597	-	-	12,597
Unappropriated earnings of subsidiaries	1,058,126	5,185,790	(69,230)	6,174,686
	<u>\$ 1,097,275</u>	<u>\$ 5,169,703</u>	<u>\$ (69,230)</u>	<u>\$ 6,197,748</u>

d. Information about unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2021 comprised:

Unused Amount	Expiry Year
\$ 171,957	2025
299,615	2030
<u>371,991</u>	2031
<u>\$ 843,563</u>	

As of December 31, 2021, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

Expansion of Construction Project	Tax-exemption Period
Five years tax-exempt expansion project approved under the Official Letter, No. 1020163631, issued by Tainan City Government	From January 1, 2016 to December 31, 2020

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\$12,388,484 thousand and NT\$12,980,304 thousand as

of December 31, 2021 and 2020, respectively.

f. Income tax assessments

The tax returns of the Company through 2019, except 2018, have been assessed by the tax authorities. The tax returns of the subsidiaries through 2019 have been by the tax authorities.

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	
	2021	2020
Profit for the year attributable to owners of the Company	\$ <u>8,575,044</u>	\$ <u>21,129,820</u>

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

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	758,241	764,102
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>4,470</u>	<u>6,461</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>762,711</u>	<u>770,563</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 and August 18, 2020, 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.) and Taizhou subsidiaries (Topo Technology (Taizhou) Co., Ltd. and Meeca Technology (Taizhou) Co., Ltd.) in which Taizhou subsidiaries carried out the Group's phone casing production. The disposal was completed on December 3, 2021 and December 31, 2020, on which date control of subsidiaries has been transferred to the acquirer.

a. Consideration received from disposals

	Suzhou Subsidiaries	Taizhou Subsidiaries
Consideration received in cash and cash equivalents	\$ <u>5,547,314</u>	\$ <u>41,029,007</u>

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

	Suzhou Subsidiaries	Taizhou Subsidiaries
Current assets		
Cash and cash equivalents	\$ 532,552	\$ 735,979
Financial assets at amortized cost	707	1,273
Trade receivables	-	2,111,820
Other receivables	26,443	3,823,085
Inventories	-	8,174,890
Current tax assets	-	54,949
Other current assets	1	649,882
Non-current assets		
Property, plant and equipment	872,415	12,239,757
Right-of-use assets	177,096	774,755
Investment property	238,186	-
Intangible assets	10	23,314
Other non-current assets	-	23,717
Current liabilities		
Short-term borrowings	-	(3,835,547)
Contract liabilities	(9,873)	(4,484)
Trade payables	-	(4,909,828)
Other payables	(11,702)	(5,442,490)
Current tax liabilities	-	(62,289)
Other current liabilities	(297)	(30,166)
Non-current liabilities		
Other non-current liabilities	<u>(12,996)</u>	<u>-</u>
Net assets disposed of	<u>\$ 1,812,542</u>	<u>\$ 14,328,617</u>

c. Gain on disposal of subsidiaries

	Suzhou Subsidiaries	Taizhou Subsidiaries
Consideration received	\$ 5,547,314	\$ 41,029,007
Net assets disposed of	(1,812,542)	(14,328,617)
Reclassification of other comprehensive income in respect of subsidiaries	(920,542)	(571,027)
Related fees and taxes	<u>(31,862)</u>	<u>(178,171)</u>
Gain on disposal (recognized as other gains and losses)	2,782,368	25,951,192
Less: Capital gains tax (recognized as income tax expense)	<u>498,481</u>	<u>2,984,368</u>
Net gain on disposals	<u>\$ 2,283,887</u>	<u>\$ 22,966,824</u>

d. Net cash inflow on disposals of subsidiaries

	Suzhou Subsidiaries	Taizhou Subsidiaries
Consideration received in cash and cash equivalents	\$ 5,547,314	\$ 41,029,007
Less: Cash and cash equivalent balances disposed of	<u>(532,552)</u>	<u>(735,979)</u>
	<u>\$ 5,014,762</u>	<u>\$ 40,293,028</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, 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>
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Listed 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>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 349,801	\$ -	\$ -	\$ 349,801
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 84,180	\$ 84,180
Limited partnerships	-	-	568,700	568,700
	\$ -	\$ -	\$ 652,880	\$ 652,880

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

Financial assets at FVTOCI

2021

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI 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	\$ 958,795	\$ 859,146	\$ 1,817,941

2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	\$ 543,130
Addition	160,881
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(27,978)
Effects of foreign currency exchange differences	(23,153)
Balance at December 31, 2020	\$ 652,880

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	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 4,926,732	\$ 349,801
Financial asset at amortized cost (i)	207,222,225	219,425,827
Financial assets at FVTOCI		
Equity instruments	2,730,133	652,880
Debt instrument	4,571,199	-

Financial liabilities

Financial liabilities measured at amortized cost (ii)	87,505,382	85,117,709
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(i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, 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 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 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 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 change 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 34.

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	
	2021	2020
Profit or loss	\$ 819,677	\$ 970,578
	RMB Impact	
	For the Year Ended December 31	
	2021	2020
Profit or loss	\$ 65,709	\$ 58,459

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 decreased during the current period mainly due to the decrease in net assets denominated in USD and the sensitivity to the RMB increased mainly due to the increase 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	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 185,696,367	\$ 166,938,821
Financial liabilities	140,041	160,509
Cash flow interest rate risk		
Financial assets	11,352,246	34,838,700
Financial liabilities	78,031,726	70,465,726

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, 2021 and 2020 would have decreased/increased by NT\$66,679 thousand and NT\$35,627 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 increased during the current period mainly due to the decrease 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, 2021 and 2020 would have increased/decreased by NT\$39,679 thousand and NT\$3,498 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, 2021 and 2020 would have increased/decreased by NT\$18,710 thousand and NT\$0 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, 2021 and 2020 was as follows:

	December 31			
	2021		2020	
	Amount	%	Amount	%
Customer A	\$ 2,913,268	30	\$ 6,742,116	39
Customer B	2,727,725	28	3,539,126	20
Customer C	2,100,204	22	3,501,534	20

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, 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	<u>40,388,313</u>	<u>37,837,915</u>	-	-
	<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>

December 31, 2019

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$10,897,975	\$ 3,732,331	\$ 21,677	\$ -
Lease liabilities	3,445	15,185	25,363	132,023
Variable interest rate liabilities	<u>47,104,357</u>	<u>23,496,032</u>	<u>-</u>	<u>-</u>
	<u>\$58,005,777</u>	<u>\$27,243,548</u>	<u>\$ 47,040</u>	<u>\$ 132,023</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>\$ 18,630</u>	<u>\$ 25,363</u>	<u>\$ 22,918</u>	<u>\$ 22,918</u>	<u>\$ 44,935</u>	<u>\$ 41,252</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

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Unsecured bank loan facilities		
Amount used	\$ 78,384,829	\$ 70,475,726
Amount unused	<u>18,968,953</u>	<u>17,427,286</u>
	<u>\$ 97,353,782</u>	<u>\$ 87,903,012</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

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 208,266	\$ 343,108
Post-employment benefits	<u>29,296</u>	<u>29,943</u>
	<u>\$ 237,562</u>	<u>\$ 373,051</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. 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, 2021 and 2020 were as follows:

Unrecognized commitments are as follows:

	December 31	
	2021	2020
Acquisition of property, plant and equipment	\$ <u>113,324</u>	\$ <u>369,672</u>
Acquisition of inventories	\$ <u>105,067</u>	\$ <u>47,947</u>

34. 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, 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

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,794,953	28.43 (USD:NTD)	\$ 79,460,520
USD	835,310	6.5249 (USD:RMB)	23,789,637
USD	8,980	1.3221 (USD:SGD)	255,970
RMB	229,568	4.3520 (RMB:NTD)	999,079
RMB	1,136,042	0.1533 (RMB:USD)	4,959,942

Financial liabilities

Monetary items			
USD	114,615	28.53 (USD:NTD)	3,269,980
USD	111,600	6.5249 (USD:RMB)	3,178,369
RMB	25,703	4.4020 (RMB:NTD)	113,145

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				
Foreign Currency	2021		2020	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	28.009 (USD:NTD)	\$ 37,265	29.549 (USD:NTD)	\$ 34,618
NTD	1 (NTD:NTD)	(2,047,636)	1 (NTD:NTD)	(3,634,704)
RMB	4.3417 (RMB:NTD)	(417,661)	4.2837 (RMB:NTD)	(2,020,747)
SGD		-	21.43 (SGD:NTD)	(4,683)
		<u>\$ (2,428,032)</u>		<u>\$ (5,625,516)</u>

35. 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 (Table 5)
 - 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 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (N/A)
 - 10) Intercompany relationships and significant intercompany transactions (Table 10)
- b. Information on investees (Table 8)
- 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 9)
 - 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, 6, 7 and 10):
 - 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)

36. SEGMENT INFORMATION

For the purpose of resources 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 process 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, 2021 and 2020 and information on assets is referenced from the consolidated balance sheets as of December 31, 2021 and 2020.

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	
	2021	2020
China	\$ 28,835,499	\$ 30,775,098
United States	5,970,641	45,875,935
Taiwan	1,137,484	1,102,480
Singapore	5,149,298	4,751,146
Others	<u>2,057</u>	<u>1,373</u>
	<u>\$ 41,094,979</u>	<u>\$ 82,506,032</u>
	Non-current Assets	
	December 31,	December 31,
	2021	2020
Taiwan	\$ 7,044,846	\$ 7,663,446
China	<u>12,192,334</u>	<u>16,765,883</u>
	<u>\$ 19,237,180</u>	<u>\$ 24,429,329</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	
	2021	2020
Customer A	\$ 5,931,613	\$ 45,791,405
Customer B	14,904,768	17,006,380
Customer C	<u>9,999,532</u>	<u>9,985,587</u>
	<u>\$ 30,835,913</u>	<u>\$ 72,783,372</u>

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ 1,367,856	<u>\$ 868,300</u>	\$ 868,300	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 756,885,665	<u>\$ 756,885,665</u>
2	Vito Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,042,176	<u>\$ 607,810</u>	607,810	1.5	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
3	Arcadia Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,820,730	<u>\$ -</u>	-	1.5	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
4	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	570,700	<u>\$ 553,600</u>	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
5	Norma International Co., Ltd.	Cygnus International Co., Ltd.	Other receivables - related parties	Yes	570,700	<u>\$ -</u>	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
6	Uranus International Co., Ltd.	Lyra International Co., Ltd.	Other receivables - related parties	Yes	142,675	\$ -	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	
		Next Level Ltd.	Other receivables - related parties	Yes	856,050	830,400	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	2,282,800	-	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	
						<u>\$ 830,400</u>										

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value as of December 31, 2021 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2021 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value as of December 31, 2021 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2021 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, 2021
(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	\$ 75,688,567	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	75,688,567	21,937	<u>\$ 13,024</u>	<u>\$ 13,024</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	75,688,567	21,937	<u>\$ 13,024</u>	<u>\$ 13,024</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
3	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	75,688,567	217,453	<u>\$ 216,640</u>	<u>\$ 216,640</u>	<u>\$ -</u>	0.14	<u>\$ 151,377,133</u>	N	N	Y
4	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	75,688,567	13,162	<u>\$ 8,683</u>	<u>\$ 8,683</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
5	Aquila Technology (Suqian) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Business relation	75,688,567	19,975	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ 151,377,133</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, 2021.

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, 2021.

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.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan 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</u>							
	United Microelectronics Corp.	None	Financial assets at FVTPL - current	1,750,000	\$ 113,750	0.01	\$ 113,750	
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Financial assets at FVTPL - current	130,000	79,950	-	79,950	
	Winbond Electronics Corporation	None	Financial assets at FVTPL - current	900,000	30,600	0.02	30,600	
	Sdi Corporation	None	Financial assets at FVTPL - current	160,000	28,080	0.09	28,080	
	Au Optronics Corp.	None	Financial assets at FVTPL - current	1,300,000	29,770	0.01	29,770	
	MediaTek Inc.	None	Financial assets at FVTPL - current	60,000	71,400	-	71,400	
	Highwealth Construction Corp.	None	Financial assets at FVTPL - current	560,000	25,900	0.04	25,900	
	Evergreen Marine Corp. (Taiwan) Ltd.	None	Financial assets at FVTPL - current	330,000	47,025	0.01	47,025	
	China Airlines Ltd.	None	Financial assets at FVTPL - current	1,650,000	45,458	0.03	45,458	
	Fubon Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	552,000	42,118	-	42,118	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	690,000	43,125	0.01	43,125	
	China Development Financial Holding Corp.	None	Financial assets at FVTPL - current	2,500,000	43,750	0.01	43,750	
	Elite Semiconductor Microelectronics Tech Inc	None	Financial assets at FVTPL - current	170,000	28,050	0.06	28,050	
	Novatek Microelectronics Corp.	None	Financial assets at FVTPL - current	80,000	43,120	0.01	43,120	
	Faraday Technology Corp.	None	Financial assets at FVTPL - current	320,000	76,480	0.13	76,480	
	Unimicron Technology Corp.	None	Financial assets at FVTPL - current	130,000	30,030	0.01	30,030	
	Kinsus Interconnect Technology Corp.	None	Financial assets at FVTPL - current	340,000	79,220	0.08	79,220	
	Auras Technology Co.,Ltd.	None	Financial assets at FVTPL - current	132,000	26,664	0.15	26,664	
	eMemory Technology Inc.	None	Financial assets at FVTPL - current	45,000	98,550	0.06	98,550	
	Lotes Co., Ltd	None	Financial assets at FVTPL - current	39,000	29,679	0.04	29,679	
	Jentech Precision Industrial Co., Ltd	None	Financial assets at FVTPL - current	70,000	28,560	0.06	28,560	
	Fitipower Integrated Technology Inc.	None	Financial assets at FVTPL - current	93,000	26,226	0.05	26,226	
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	212,483	6.95	212,483	
	Aspeed Technology Inc.	None	Financial assets at FVTPL - current	16,000	57,040	0.05	57,040	
	Vanguard International Semiconductor Co.	None	Financial assets at FVTPL - current	400,000	63,200	0.02	63,200	
	Sino-american Silicon Products Inc.	None	Financial assets at FVTPL - current	125,000	29,500	0.02	29,500	
	Genesys Logic, Inc.	None	Financial assets at FVTPL - current	142,000	28,613	0.16	28,613	
	Anpec Electronics Corporation	None	Financial assets at FVTPL - current	160,000	44,560	0.22	44,560	
	Tong Hsing Electronic Industries ,Ltd.	None	Financial assets at FVTPL - current	90,000	26,775	0.05	26,775	
	Global Wafers Co., Ltd	None	Financial assets at FVTPL - current	80,000	71,040	0.02	71,040	
	Nan Ya Printed Circuit Board Corporation	None	Financial assets at FVTPL - current	190,000	108,680	0.03	108,680	
	<u>Beneficiaries Certificates</u>							
	Yuanta/p-shares Taiwan Top 50 ETF	None	Financial assets at FVTPL - current	384,000	55,872		55,872	
	Fubon Taiwan Technology Tracker Fund	None	Financial assets at FVTPL - current	995,000	133,478		133,478	
	Yuanta/p-shares Taiwan Dividend Plus ETF	None	Financial assets at FVTPL - current	455,000	15,279		15,279	
	Yuanta S&P 500 ETF	None	Financial assets at FVTPL - current	1,166,000	47,433		47,433	
	Fubon NASDAO-100 Index ETF	None	Financial assets at FVTPL - current	1,119,000	65,797		65,797	
	Yuanta U.S. Treasury 20+ Year Bond ETF	None	Financial assets at FVTPL - current	1,578,000	65,045		65,045	
	Cathay Bloomberg Barclays U.S. Treasury 20+ Year Bond ETF	None	Financial assets at FVTPL - current	737,000	31,706		31,706	
	Cathay TIP TAIEX+ Low Volatly Div Plus Sel 30 Etf	None	Financial assets at FVTPL - current	2,483,000	66,966		66,966	
	Capital Dow Jones U.S. Real Estate Index ETF	None	Financial assets at FVTPL - current	987,000	23,461		23,461	

(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	
Ke Yue Co., Ltd.	Cathay BBB Corporate Bond Ex China Coupon 4.5% 10yrplus 20% Sector Capped ETF	None	Financial assets at FVTPL - current	1,257,000	\$ 54,994		\$ 54,994	
	Cathay EM USD Investment Grade Ex China Coupon 5.5% 5yrplus 10% Country Capped ETF	None	Financial assets at FVTPL - current	190,000	7,836		7,836	
	Cathay High Yield Ex China Cash Pay 1-5 Year 2% Issuer Capped ETF	None	Financial assets at FVTPL - current	3,074,000	115,982		115,982	
	FSITC Taiwan Industry Elite 30 ETF	None	Financial assets at FVTPL - current	228,000	7,211		7,211	
	Fubon Taiwan Small-mid Cap Alpha Momentum 50 ETF	None	Financial assets at FVTPL - current	1,224,000	51,641		51,641	
	Upamc Nyse Fang+ ETF	None	Financial assets at FVTPL - current	1,870,000	94,622		94,622	
	Cathay U.S. PHLX Semiconductor Sector ETF	None	Financial assets at FVTPL - current	4,018,000	140,550		140,550	
	UPAMC 10y+ Aa-a USD Senior Corporate Bond ETF	None	Financial assets at FVTPL - current	2,048,000	71,352		71,352	
	Cathay Taiwan 5g Plus ETF	None	Financial assets at FVTPL - current	3,739,000	71,004		71,004	
	Fubon FTSE Vietnam ETF	None	Financial assets at FVTPL - current	1,254,000	22,121		22,121	
	Cathay Global Autonomous and Electric Vehicles ETF	None	Financial assets at FVTPL - current	4,334,000	72,551		72,551	
	Fubon MSCI ACWI IMI Select Future Mobility Top 30 Capped ETF	None	Financial assets at FVTPL - current	3,760,000	68,169		68,169	
	UPAMC JAMES BOND MONEY MARKET FUND	None	Financial assets at FVTPL - current	13,349,709	225,240		225,240	
	<u>Unlisted Shares</u>							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	36,240	3.57	36,240	
	<u>Listed Shares</u>							
	Delta Electronics, Inc.	None	Financial assets at FVTPL - current	50,000	13,750	-	13,750	
	ITEQ Corporation	None	Financial assets at FVTPL - current	150,000	21,300	0.05	21,300	
	Wistron Corporation	None	Financial assets at FVTOCI - current	100,000	2,915	-	2,915	
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	15,000	864	0.01	864	
	Bioteque Corporation	None	Financial assets at FVTOCI - current	3,799,000	434,986	5.48	434,986	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	6,949,000	521,870	9.57	521,870	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	6,426	0.26	6,426	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	84,000	7,249	0.17	7,249	
	<u>Beneficiaries Certificates</u>							
	UPAMC JAMES BOND MONEY MARKET FUND	None	Financial assets at FVTPL - current	35,598,056	600,621		600,621	
	<u>Limited Partnerships</u>							
	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	96,939	12.78	96,939	Note 3
	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	35,618	7.39	35,618	Note 3
Yi De Co., Ltd.	Listed Shares							
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	20,000	1,152	0.01	1,152	
	Bioteque Corporation	None	Financial assets at FVTOCI - current	1,964,000	224,878	2.83	224,878	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	3,473,000	260,822	4.78	260,822	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	22,586	0.92	22,586	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	489,000	42,201	1.01	42,201	
	<u>Beneficiaries Certificates</u>							
Yi Sheng Co., Ltd.	Capital Money Market Fund	None	Financial assets at FVTPL - current	4,573,268	74,531		74,531	
	<u>Listed Shares</u>							
	Bioteque Corporation	None	Financial assets at FVTOCI - current	2,101,000	240,565	3.03	240,565	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	1,209,000	90,796	1.67	90,796	

(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	
Nanomag International Co., Ltd.	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	\$ 3,150	0.13	\$ 3,150	Note 3
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	122,000	10,529	0.25	10,529	
	<u>Beneficiaries Certificates</u>							
	PGIM Prudential Financial Money Market Fund	None	Financial assets at FVTPL - current	2,503,108	40,029		40,029	
	<u>Limited Partnerships</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 29,729	23.51	USD 29,729	
	<u>BONDS</u>							
	AMERICAN AIRLINES INC/AADVANTAGE	None	Financial assets at FVTOCI - non-current	-	USD 1,040		USD 1,040	
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	-	USD 1,103		USD 1,103	
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	-	USD 996		USD 996	
	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,100		USD 1,100	
	ALBERTSONS COS LLC/SAFEWAY INC/NEW	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	ALLIED UNIVERSAL HOLDCO LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,049		USD 1,049	
	ANGLO AMERICAN CAPITAL PLC	None	Financial assets at FVTOCI - non-current	-	USD 730		USD 730	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,055		USD 1,055	
	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,559		USD 1,559	
	BPCE SA	None	Financial assets at FVTOCI - non-current	-	USD 2,150		USD 2,150	
	BANCOLOMBIA SA	None	Financial assets at FVTOCI - non-current	-	USD 1,004		USD 1,004	
	BANCO DE CREDITO DEL PERU	None	Financial assets at FVTOCI - non-current	-	USD 1,034		USD 1,034	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,750		USD 1,750	
	BAYER US FINANCE LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,254		USD 1,254	
	BRASKEM FINANCE LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,093		USD 1,093	
	BROADCOM INC	None	Financial assets at FVTOCI - non-current	-	USD 1,640		USD 1,640	
	CCO HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,619		USD 1,619	
	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,573		USD 1,573	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,105		USD 1,105	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	CHEMOURS COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,070		USD 1,070	
	CHENIERE ENERGY PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	-	USD 1,182		USD 1,182	
	CITIGROUP INC	None	Financial assets at FVTOCI - non-current	-	USD 1,089		USD 1,089	
	CLARIOS GLOBAL LP	None	Financial assets at FVTOCI - non-current	-	USD 1,048		USD 1,048	
	CLEAR CHANNEL INTERNATIONAL BV	None	Financial assets at FVTOCI - non-current	-	USD 1,038		USD 1,038	
	CLEVELAND-CLIFFS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	COLOMBIA (REPUBLIC OF)	None	Financial assets at FVTOCI - non-current	-	USD 1,032		USD 1,032	
	CONSTELLIUM SE	None	Financial assets at FVTOCI - non-current	-	USD 263		USD 263	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	-	USD 1,665		USD 1,665	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	-	USD 1,093		USD 1,093	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	-	USD 1,901		USD 1,901	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,020		USD 1,020	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,177		USD 1,177	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	-	USD 2,047		USD 2,047	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,468		USD 1,468	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,901		USD 1,901	
	EQT CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,027		USD 1,027	
	EQT MIDSTREAM PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	ECOPETROL SA	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	ELDORADO RESORTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,050		USD 1,050	
	EMPRESA NACIONAL DE TELECOMUNICACI	None	Financial assets at FVTOCI - non-current	-	USD 1,054		USD 1,054	
	ENDEAVOR ENERGY RESOURCES LP/ EER	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	-	USD 1,108		USD 1,108	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,088		USD 1,088	

(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	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,335		USD 1,335	
	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	-	USD 903		USD 903	
	FIRST QUANTUM MINERALS LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,029		USD 1,029	
	FORD MOTOR COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,091		USD 1,091	
	FREEMPORT-MCMORAN INC	None	Financial assets at FVTOCI - non-current	-	USD 1,040		USD 1,040	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	-	USD 1,575		USD 1,575	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	GLOBAL PAYMENTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,070		USD 1,070	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	-	USD 2,005		USD 2,005	
	GRUPO AVAL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	HCA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,613		USD 1,613	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	-	USD 1,152		USD 1,152	
	HESS INFRASTRUCTURE PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	HOST HOTELS & RESORTS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	-	USD 2,085		USD 2,085	
	ILIAD HOLDING SAS	None	Financial assets at FVTOCI - non-current	-	USD 525		USD 525	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	-	USD 1,562		USD 1,562	
	IRON MOUNTAIN INC	None	Financial assets at FVTOCI - non-current	-	USD 1,037		USD 1,037	
	ISRAEL ELECTRIC CORPORATION LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,619		USD 1,619	
	JBS INVESTMENTS II GMBH	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	-	USD 568		USD 568	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	-	USD 1,570		USD 1,570	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,449		USD 1,449	
	MPLX LP	None	Financial assets at FVTOCI - non-current	-	USD 1,085		USD 1,085	
	MATTEL INC	None	Financial assets at FVTOCI - non-current	-	USD 1,026		USD 1,026	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	-	USD 1,775		USD 1,775	
	NAVIENT CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,100		USD 1,100	
	NEXTERA ENERGY OPERATING PARTNERS	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	NOVELIS CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,009		USD 1,009	
	OCCIDENTAL PETROLEUM CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,031		USD 1,031	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	-	USD 778		USD 778	
	ONEOK PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,790		USD 1,790	
	POSCO	None	Financial assets at FVTOCI - non-current	-	USD 1,546		USD 1,546	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 812		USD 812	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,072		USD 1,072	
	PARK INTERMEDIATE HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 528		USD 528	
	PETROLEOS MEXICANOS	None	Financial assets at FVTOCI - non-current	-	USD 1,035		USD 1,035	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	-	USD 3,111		USD 3,111	
	PRIME SECURITY SERVICES BORROWER L	None	Financial assets at FVTOCI - non-current	-	USD 1,074		USD 1,074	
	RANGE RESOURCES CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,023		USD 1,023	
	ROCKETMTGE CO-ISSUER INC	None	Financial assets at FVTOCI - non-current	-	USD 496		USD 496	
	ROYAL CARIBBEAN CRUISES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	SA GLOBAL SUKUK LTD	None	Financial assets at FVTOCI - non-current	-	USD 985		USD 985	
	SANTANDER HOLDINGS USA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,042		USD 1,042	
	SASOL FINANCING USA LLC	None	Financial assets at FVTOCI - non-current	-	USD 522		USD 522	
	SCHLUMBERGER HOLDINGS CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,574		USD 1,574	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	-	USD 2,108		USD 2,108	
	SIRIUS XM RADIO INC	None	Financial assets at FVTOCI - non-current	-	USD 350		USD 350	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,361		USD 1,361	
	SOUTHWESTERN ENERGY COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,116		USD 1,116	
	SPIRIT LOYALTY CAYMAN LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,104		USD 1,104	
	SPRINGLEAF FINANCE CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	-	USD 2,070		USD 2,070	
	SURA ASSET MANAGEMENT SA	None	Financial assets at FVTOCI - non-current	-	USD 1,054		USD 1,054	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	-	USD 787		USD 787	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	TARGA RESOURCES PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 536		USD 536	
	TELECOM ITALIA SPA	None	Financial assets at FVTOCI - non-current	-	USD 1,052		USD 1,052	
	TENET HEALTHCARE CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,027		USD 1,027	

(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.	TRANSDIGM INC	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	TRONOX INC	None	Financial assets at FVTOCI - non-current	-	USD 1,057		USD 1,057	
	UNITED AIRLINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	VEB FINANCE PLC	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,554		USD 1,554	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	-	USD 2,091		USD 2,091	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	-	USD 1,041		USD 1,041	
	VISTRA OPERATIONS COMPANY LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	-	USD 2,178		USD 2,178	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	-	USD 1,587		USD 1,587	
	WYNDHAM HOTELS & RESORTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	ZIGGO SECURED FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	GRUPO AVAL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	BHARTI AIRTEL INTERNATIONAL NETHERLANDS BV	None	Financial assets at FVTOCI - non-current	-	USD 1,075		USD 1,075	
	ALFA SAB DE CV	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	BANCO SANTANDER MEXICO SA INSTITUC	None	Financial assets at FVTOCI - non-current	-	USD 1,091		USD 1,091	
	COMISION FEDERAL DE ELECTRICIDAD	None	Financial assets at FVTOCI - non-current	-	USD 1,061		USD 1,061	
	EL FONDO MIVIVIENDA SA	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	ADANI PORTS AND SPECIAL ECONOMIC Z	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	INDONESIA ASAHAN ALUMINIUM PERSERO	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	ARCELIK AS	None	Financial assets at FVTOCI - non-current	-	USD 500		USD 500	
	MAF GLOBAL SECURITIES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,069		USD 1,069	
	ONGC VIDESH LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,067		USD 1,067	
	NTPC LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	DP WORLD LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,033		USD 1,033	
	LUKOIL INTERNATIONAL FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	-	USD 524		USD 524	
	RURAL ELECTRIFICATION CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	INDIAN RAILWAY FINANCE CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,041		USD 1,041	
	PT BANK MANDIRI (PERSERO) TBK (SYA)	None	Financial assets at FVTOCI - non-current	-	USD 1,042		USD 1,042	
	JSW STEEL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	CNAC HK FINBRIDGE CO LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,036		USD 1,036	
	POWER FINANCE CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	SAMBA FUNDING LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,026		USD 1,026	
	MEGLOBAL CANADA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,090		USD 1,090	
	<u>Simple Agreement For Future Equity (SAFE)</u>							
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	-	USD 1,700		USD 1,700	
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	-	USD 1,000		USD 1,000	
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 14,743	2.54	USD 14,743	Note 3
	Abg-Cmrco LP	None	Financial assets at FVTPL - non-current	-	USD 6,816	25.32	USD 6,816	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 1,344	5.21	USD 1,344	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 985	8	USD 985	Note 3
	<u>Private Equity Securities</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	-	USD 3,262	13.33	USD 3,262	Note 3

(Concluded)

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 8 and 9 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 NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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
Catcher Technology Co., LTD.	<u>Beneficiaries Certificates</u>													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	26,699,417.96	\$ 450,005	13,349,709	\$ 225,228	\$ 225,002	\$ 226	13,349,708.96	\$ 225,240
	Fuh Hwa Developed Countries 300 Equity Index Fund	Financial assets at FVTPL - current	-	-	-	-	27,364,761.20	359,587	27,364,761.20	376,768	359,587	17,181	-	-
	Unlisted Shares Ke Yue Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	11,290,000	1,119,774	187,100,000	1,871,000	-	-	-	-	198,390,000	2,976,267
	Yi Sheng Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	3,070,000	298,558	70,200,000	702,000	-	-	-	-	73,270,000	1,018,111
	Yi De Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	3,070,000	298,558	70,200,000	702,000	-	-	-	-	73,270,000	1,021,328
Ke Yue Co., Ltd.	<u>Listed Shares</u>													
	Bioteque Corporation	Financial assets at FVTOCI - current	-	-	-	-	3,799,000	414,923	-	-	-	-	3,799,000	434,986
	Pacific Hospital Supply Co., Ltd.	Financial assets at FVTOCI - current	-	-	-	-	6,949,000	512,063	-	-	-	-	6,949,000	521,870
	<u>Beneficiaries Certificates</u> UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	59,326,056.18	1,000,000	23,728,000	400,173	400,173	-	35,598,056.18	600,621
Yi Sheng Co., Ltd.	<u>Beneficiaries Certificates</u>													
	PGIM Prudential Financial Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	18,779,107.60	300,000	16,276,000	260,171	260,012	159	2,503,107.60	40,029
Yi De Co., Ltd.	<u>Beneficiaries Certificates</u>													
	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	30,708,267.80	500,000	26,135,000	425,746	425,746	-	4,573,267.80	74,531
Nanomag International Co., Ltd.	<u>Unlisted Shares</u>													
	Cor Ventures Pte. Ltd.	Investments accounted for using equity method	Note 2	Investing activities	9,165,797	USD 8,999	46,000,000	USD 46,000	-	-	-	-	55,165,797	USD 58,270
Cor Ventures Pte. Ltd.	<u>Private Equity Funds</u>													
	Ally Bridge Group LP	Financial assets at FVTPL - non-current	-	-	-	-	-	USD 11,878	-	-	-	-	-	USD 14,743

Note 1: The closing amount includes fair value adjustments, the gain/losses from subsidiaries from adoption of equity method, the exchange differences on translating the financial statements of foreign operations, and other equity-related adjustments.

Note 2: Implemented cash capital increase

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/ Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing plant	2017.08.18-2021.12.31	Contract price is NT\$751,583 thousand (RMB 173,116 thousand); NT\$740,309 thousand has been put into construction	In accordance with rules of contracts and progress	Self-built assets (The main contractor is Zhongxing Construction Co., Ltd.)	-	-	-	-	\$ -	Price comparison or negotiation	Operating production	-

TABLE 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ (671,695)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 206,686	7	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(1,209,280)	8	Net 30 to 90 days after month end close	Equivalent	Equivalent	1,339,392	43	
		Same ultimate parent company	Purchases	142,819	8	Net 30 to 90 days after month end close	Equivalent	Equivalent	(92,111)	11	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	120,272	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	
Vito Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(822,548)	10	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	
	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(445,213)	5	Net 30 to 90 days after month end close	Equivalent	Equivalent	159,282	5	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(2,559,902)	30	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,445,258	69	
		Same ultimate parent company	Purchases	273,330	14	Net 30 to 90 days after month end close	Equivalent	Equivalent	(173,689)	19	
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(683,157)	8	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	80,596	2	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	100,984	6	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(3,186,954)	100	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	995,031	98	
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(4,701,778)	96	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	133,189	97	
Lyra International Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(544,356)	98	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	

Note: It became a non-related party of the Group on December 31, 2020.

TABLE 7**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, 2021****(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	\$ 823,177	- (Note 3)	\$ -	Not applicable	\$ 210,153	\$ -
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	206,686	0.94	-	Not applicable	72,960	-
			868,300	- (Note 1)	-	Not applicable	-	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,339,392	1.79	-	Not applicable	141,054	-
			159,282	1.01	-	Not applicable	47,953	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	607,810	- (Note 1)	-	Not applicable	607,810	-
Envio Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,445,258	2.12	-	Not applicable	591,809	-
			173,689	2.07	-	Not applicable	60,212	-
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	995,031	1.87	-	Not applicable	218,352	-
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	133,189	3.38	-	Not applicable	113,189	-
Nanomag International Co., Ltd.	Norma International Co., Ltd.	Same ultimate parent company	277,630	- (Note 4)	-	Not applicable	-	-
Catcher Technology Co., Ltd.	Next Level Ltd.	Subsidiary	118,627	- (Note 5)	-	Not applicable	118,627	-

Note 1: The ending balance of financing provided is not in the calculation of the turnover rate.

Note 2: The ending balance of property, plant and equipment purchased is not in the calculation of the turnover rate.

Note 3: The ending balance of processing income receivables is not in the calculation of the turnover rate.

TABLE 8

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2021	December 31, 2020	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	\$ 827,183	\$ (235,549)	\$ (235,587)	
	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	152,280,408	10,350,209	10,622,703	
	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	7,200,000	45	8,050	(7,851)	(3,533)	
	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	1,129,000	198,390,000	100	2,976,267	(43,422)	(43,422)	
	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	298,000	73,270,000	100	1,018,111	(2,890)	(2,890)	
	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	298,000	73,270,000	100	1,021,328	(297)	(297)	
	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	-	2,000,000	100	200,009	9	9	
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	279 (USD 10,000)	279 (USD 10,000)	10,000	100	208	(34)		
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	4,398,774	1,086,700		
	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	15,962,412	(1,717,474)		
	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	148,763	84,959		
	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	21,925,405	4,834,820		
	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	9,333,735	3,647,620		
	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	319,821	177,964		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	255,359 (SGD 12,118,100)	55,165,797	100	1,612,920	91,317		
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)	10,005,259	100	4,113,164	1,084,791		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	9,251,008 (USD 332,053,412)	9,251,008 (USD 332,053,412)	332,053,412	100	16,098,268	(1,717,474)		
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)	1,400,000	100	199,765	87,605		

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 9.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 922,851 (USD 33,340,000)	\$ -	\$ -	\$ 922,851 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	277,077 (USD 10,010,000)	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,116,611 (USD 40,340,000)	-	-	1,116,611 (USD 40,340,000)	(90,275)	100	(90,275) (Note 2.(A))	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	5,482,243
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	-
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	276,800 (USD 10,000,000)	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	(31,848)	100	(31,848) (Note 2.(A))	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,536,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,629,572 (USD 94,999,000)	-	-	2,629,572 (USD 94,999,000)	2,866,631	100	2,633,813 (Note 2.(A))	12,285,519	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,439,610 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	1,115,457	100	1,071,410 (Note 2.(A))	9,804,384	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,572,166 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	(3,402,108)	100	3,371,530 (Note 2.(A))	5,463,895	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	2,785,913 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	265,183	100	265,183 (Note 2.(A))	3,442,959	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	38,752 (USD 1,400,000)	2. Cepheus International Co., Ltd.	31,002 (USD 1,120,000)	-	-	30,002 (USD 1,120,000)	117,668	75	117,668 (Note 2.(A))	149,294	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaochu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	611,228 (USD 22,081,923)	-	-	611,228 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (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)
\$ 5,311,264 (USD 191,880,923)	\$ 40,116,494 (USD 1,035,015,100) (RMB 2,641,316,560)	\$ 90,856,033

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 \$151,426,722×60%=\$90,856,033

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, 2021 was US\$1:NT\$27.68.
The exchange rate on December 31, 2021 was RMB1:NT\$4.3415

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 Chaochu 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, which is the proceeds arising from returned capital of the liquidation from Catcher Technology (Suzhou) Co., Ltd. and the returned capital reduction from Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd., is invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ 4,701,778	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	11.44
				Payables to related parties	133,189		0.05
		Lyra International Co., Ltd.	1	Other receivables from related parities	118,627		0.05
				Purchases	544,356	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	1.32
1	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	1	Purchases	92,351	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	0.22
				Payables to related parties	50,009		0.02
				Sales	671,695	The sales prices were not different from third parties, net 30 to 90 days after month end close.	1.63
				Processing income	1,167,922	The sales prices were not different from third parties, net 30 to 90 days after month end close.	2.84
				Processing expense	230,401	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.56
				Receivables from related parties	206,686		0.08
				Other receivables from related parities	823,177		0.33
		Envio Technology (Suqian) Co., Ltd.	3	Sales	1,209,280	The sales prices were not different from third parties, net 30 to 90 days after month end close.	2.94
				Purchases	142,819	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.35
				Processing income	75,011	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.18
				Processing expense	126,504	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.31
				Receivables from related parties	1,339,392		0.54
				Payables to related parties	92,111		0.04
				Other receivables from related parities	50,728		0.02
				Other payables to related parities	73,304		0.03
				Other receivables from related parities	868,300		0.35
2	Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	3	Sales	60,996	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.15
		Aquila Technology (Suqian) Co., Ltd.	3	Purchases	120,272	The purchase prices were not different from third parties, net 120 days after month end close.	0.29
		Next Level Ltd.	3	Sales	822,548	The sale prices have no comparison with those from third parties, net 30 to 90 days after month end close.	2.00
		Catcher Technology (Suqian) Co., Ltd.	3	Sales	445,213	The sales prices were not different from third parties, net 30 to 90 days after month end close.	1.08
				Receivables from related parties	159,282		0.06
				Other receivables from related parities	98,382		0.04
		Envio Technology (Suqian) Co., Ltd.	3	Sales	2,599,902	The sales prices were not different from third parties, net 30 to 90 days after month end close.	6.33
				Purchases	273,330	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.67
				Processing income	74,955	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.18
				Receivables from related parties	2,445,258		0.99
				Payables to related parties	173,689		0.07
				Other receivables from related parities	607,810		0.25
		Arcadia Technology (Suqian) Co., Ltd.	3	Processing income	109,569	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.27
				Processing expense	122,828	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.30
				Other payables to related parities	93,781		0.04
3	Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	3	Sales	683,157	The sale prices have no comparison with those from third parties, net 30 to 90 days after month end close.	1.66
				Receivables from related parties	80,596		0.03
4	Arcadia Technology (Suqian) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	3	Purchases	100,984	The pruchase prices were not different from third parties, net 30 to 90 days after month end close.	0.25
		Next Level Ltd.	3	Sales	3,186,954	The sale prices have no comparison with those from third parties, net 30 to 90 days after month end close.	7.76
5	Nanomag International Co., Ltd.			Receivables from related parties	995,031		0.40
		Norma International Co., Ltd.	3	Other receivables from related parities	277,630		0.11
		Uranus International Co., Ltd.	3	Other receivables from related parities	58,682		0.02

Note 1: 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, 2021 AND 2020
(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, 2020	\$ 2,179,324	\$ 24,926,841	\$ 74,545,095	\$ 198,829	\$ 2,739,991	\$ 4,955,537	\$ 266	\$ 264,777	\$ 109,810,660
Additions	-	29,942	179,483	2,171	37,717	627,349	-	61,596	938,258
Disposals	-	(1,430)	(604,204)	(6,383)	(4,302)	(271,047)	-	-	(887,366)
Reclassifications	-	179,221	662,950	-	7,254	21,420	-	(193,171)	677,674
Disposals of subsidiaries	-	(6,600,326)	(22,430,224)	(40,039)	(614,013)	(1,798,222)	-	(126)	(31,482,950)
Effects of foreign currency exchange differences	-	410,144	1,832,776	2,536	41,221	80,744	5	(338)	2,367,088
Balance at December 31, 2020	<u>\$ 2,179,324</u>	<u>\$ 18,944,392</u>	<u>\$ 54,185,876</u>	<u>\$ 157,114</u>	<u>\$ 2,207,868</u>	<u>\$ 3,615,781</u>	<u>\$ 271</u>	<u>\$ 132,738</u>	<u>\$ 81,423,364</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2020	\$ -	\$ 8,070,421	\$ 55,335,227	\$ 130,033	\$ 1,998,637	\$ 2,979,637	\$ 191	\$ -	\$ 68,514,146
Depreciation expense	-	1,482,054	5,858,281	26,143	361,520	893,181	52	-	8,621,231
Disposals	-	(510)	(600,662)	(6,383)	(4,257)	(270,762)	-	-	(882,574)
Disposals of subsidiaries	-	(2,009,635)	(16,071,029)	(25,364)	(406,183)	(730,982)	-	-	(19,243,193)
Effects of foreign currency exchange differences	-	163,752	1,599,096	1,855	32,773	48,567	5	-	1,846,048
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 7,706,082</u>	<u>\$ 46,120,913</u>	<u>\$ 126,284</u>	<u>\$ 1,982,490</u>	<u>\$ 2,919,641</u>	<u>\$ 248</u>	<u>\$ -</u>	<u>\$ 58,855,658</u>
Carrying amount at December 31, 2020	<u>\$ 2,179,324</u>	<u>\$ 11,238,310</u>	<u>\$ 8,064,963</u>	<u>\$ 30,830</u>	<u>\$ 225,378</u>	<u>\$ 696,140</u>	<u>\$ 23</u>	<u>\$ 132,738</u>	<u>\$ 22,567,706</u>
<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 January 1, 2021	<u>\$ 2,179,324</u>	<u>\$ 11,238,310</u>	<u>\$ 8,064,963</u>	<u>\$ 30,830</u>	<u>\$ 225,378</u>	<u>\$ 696,140</u>	<u>\$ 23</u>	<u>\$ 132,738</u>	<u>\$ 22,567,706</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>

Attachment II

Catcher Technology Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2021 and 2020 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, 2021 and 2020, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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.

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, 2021. 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, 2021 is as follows:

Due to the needs 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 of 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 year ended December 31, 2021. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors. Our opinion, insofar as it relates to the related amounts included herein is based solely on the reports of other auditors. The total investment in these investees accounted for using the equity method was NT\$6,628,626 thousand, accounting for 2.76%, of total assets as of December 31, 2021; the amount of the Company's share of profit of such associates was NT\$44,708 thousand, accounting for 0.48%, of the Company's profit before income tax for the year ended December 31, 2021; the amount of the Company's share of comprehensive income of such associates was NT\$115,737 thousand, accounting for 1.93%, of the Company's comprehensive income for the year ended December 31, 2021.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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, 2021 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 24, 2022

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 accepted and 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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 14,091,058	6	\$ 27,670,632	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,217,706	1	348,932	-
Financial assets at amortized cost - current (Notes 4 and 9)	28,965,935	12	21,518,715	9
Notes receivable (Notes 4 and 10)	-	-	21	-
Trade receivables (Notes 4, 10 and 23)	2,954,957	1	6,552,310	3
Trade receivables from related parties (Notes 4 and 29)	799	-	3,564,122	2
Other receivables (Notes 4 and 10)	281,015	-	194,851	-
Other receivables from related parties (Notes 4 and 29)	122,566	-	65,392	-
Current tax assets (Notes 4 and 25)	84,316	-	88,129	-
Inventories (Notes 4, 5, 11 and 30)	1,238,939	1	2,390,466	1
Other current assets (Note 17)	96,140	-	218,955	-
Total current assets	51,053,431	21	62,612,525	26
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	36,240	-	84,180	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	21,890,529	9	24,584,552	10
Investments accounted for using the equity method (Notes 4 and 12)	158,331,356	66	146,582,454	61
Property, plant and equipment (Notes 4, 13, 29 and 30)	6,966,460	3	7,147,309	3
Right-of-use assets (Notes 4 and 14)	173,014	-	186,555	-
Investment properties (Notes 4 and 15)	221,565	-	226,996	-
Intangible assets (Notes 4 and 16)	29,423	-	10,862	-
Deferred tax assets (Notes 4 and 25)	1,097,886	1	1,009,798	-
Other non-current assets (Note 17)	7,758	-	72,123	-
Total non-current assets	188,754,231	79	179,904,829	74
TOTAL	\$ 239,807,662	100	\$ 242,517,354	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 78,031,726	33	\$ 70,465,726	29
Contract liabilities - current (Notes 4 and 23)	32,742	-	6,396	-
Trade payables (Note 19)	640,865	-	432,195	-
Trade payables to related parties (Notes 19 and 29)	191,713	-	2,754,244	1
Other payables (Note 20)	3,990,515	2	4,417,085	2
Other payables to related parties (Note 29)	2,309	-	92,637	-
Current tax liabilities (Notes 4 and 25)	309,608	-	-	-
Lease liabilities - current (Notes 4 and 14)	8,514	-	7,928	-
Other current liabilities (Note 20)	19,910	-	1,598,476	1
Total current liabilities	83,227,902	35	79,774,687	33
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 25)	5,062,739	2	4,616,427	2
Lease liabilities - non-current (Notes 4 and 14)	124,534	-	135,932	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,578	-	6,558	-
Other non-current liabilities (Note 20)	8,776	-	8,685	-
Total non-current liabilities	5,202,627	2	4,767,602	2
Total liabilities	88,430,529	37	84,542,289	35
EQUITY (Note 22)				
Share capital - ordinary shares	7,616,181	3	7,616,181	3
Capital surplus	20,008,824	8	20,008,231	8
Retained earnings				
Legal reserve	21,497,294	9	19,532,131	8
Special reserve	14,394,310	6	12,188,506	5
Unappropriated earnings	108,287,799	45	113,024,326	47
Total retained earnings	144,179,403	60	144,744,963	60
Other equity	(16,961,466)	(7)	(14,394,310)	(6)
Treasury Shares	(3,465,809)	(1)	-	-
Total equity	151,377,133	63	157,975,065	65
TOTAL	\$ 239,807,662	100	\$ 242,517,354	100

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$ 14,030,564	100	\$ 57,693,223	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>12,238,987</u>	<u>87</u>	<u>54,807,851</u>	<u>95</u>
GROSS PROFIT	<u>1,791,577</u>	<u>13</u>	<u>2,885,372</u>	<u>5</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	202,050	2	181,508	-
General and administrative expenses	321,028	2	394,028	1
Research and development expenses	<u>471,552</u>	<u>3</u>	<u>551,860</u>	<u>1</u>
Total operating expenses	<u>994,630</u>	<u>7</u>	<u>1,127,396</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>796,947</u>	<u>6</u>	<u>1,757,976</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	289,551	2	745,251	2
Other income	73,621	-	1,265,287	2
Foreign exchange gains (losses), net	(2,005,282)	(14)	(3,625,117)	(6)
Other gains and losses	273,561	2	24,356	-
Interest expense	(480,516)	(4)	(462,773)	(1)
Share of profit of subsidiaries and associates	<u>10,336,983</u>	<u>74</u>	<u>28,273,363</u>	<u>49</u>
Total non-operating income and expenses	<u>8,487,918</u>	<u>60</u>	<u>26,220,367</u>	<u>46</u>
PROFIT BEFORE INCOME TAX	9,284,865	66	27,978,343	49
INCOME TAX EXPENSE (Notes 4 and 25)	<u>709,821</u>	<u>5</u>	<u>6,848,523</u>	<u>12</u>
NET PROFIT	<u>8,575,044</u>	<u>61</u>	<u>21,129,820</u>	<u>37</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	(47,940)	-	(5,115)	-

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method				
Shares of other equity of subsidiaries	\$ 53,557	-	\$ (22,863)	-
	<u>5,617</u>	<u>-</u>	<u>(27,978)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(2,532,659)	(18)	(2,177,826)	(4)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>(41,301)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(2,568,343)</u>	<u>(18)</u>	<u>(2,205,804)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 6,006,701</u>	<u>43</u>	<u>\$ 18,924,016</u>	<u>33</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 11.31</u>		<u>\$ 27.65</u>	
Diluted	<u>\$ 11.24</u>		<u>\$ 27.42</u>	

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	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 Equity
BALANCE AT JANUARY 1, 2020	\$ 7,703,911	\$ 20,237,791	\$ 18,404,919	\$ 7,410,317	\$ 106,894,281	\$ (12,148,648)	\$ (39,858)	\$ (12,188,506)	\$ -	\$ 148,462,713
Appropriation of the 2019 earnings (Note 22)										
Legal reserve	-	-	1,127,212	-	(1,127,212)	-	-	-	-	-
Special reserve	-	-	-	4,778,189	(4,778,189)	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,616,181)	-	-	-	-	(7,616,181)
Changes in capital surplus from donations from shareholders	-	907	-	-	-	-	-	-	-	907
Net profit for the year ended December 31, 2020	-	-	-	-	21,129,820	-	-	-	-	21,129,820
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,177,826)	(27,978)	(2,205,804)	-	(2,205,804)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	21,129,820	(2,177,826)	(27,978)	(2,205,804)	-	18,924,016
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(1,796,390)	(1,796,390)
Cancellation of treasury shares (Note 22)	(87,730)	(230,467)	-	-	(1,478,193)	-	-	-	1,796,390	-
BALANCE AT DECEMBER 31, 2020	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)
Changes in capital surplus from donations from 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	<u>\$ 7,616,181</u>	<u>\$ 20,008,824</u>	<u>\$ 21,497,294</u>	<u>\$ 14,394,310</u>	<u>\$ 108,287,799</u>	<u>\$ (16,859,133)</u>	<u>\$ (102,333)</u>	<u>\$ (16,961,466)</u>	<u>\$ (3,465,809)</u>	<u>\$ 151,377,133</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 9,284,865	\$ 27,978,343
Adjustments for:		
Depreciation expense	904,044	1,008,244
Amortization expense	31,993	50,097
Gain on financial instruments at fair value through profit or loss	(282,794)	(24,552)
Interest expense	480,516	462,773
Interest income	(289,551)	(745,251)
Dividend income	(55,931)	(19,421)
Share of profit of subsidiaries and associates	(10,336,983)	(28,273,363)
Gain on disposal of property, plant and equipment	(23,102)	(49,223)
Loss on disposal of investment properties	-	768
Unrealized gain on transactions with subsidiaries	31	122
Unrealized loss (gain) on foreign currency exchange	(511,374)	415,520
Changes in operating assets and liabilities		
Notes receivable	21	(21)
Trade receivables	3,597,353	7,604,999
Trade receivables from related parties	3,563,322	(3,431,803)
Other receivables	76,879	(46,534)
Other receivables from related parties	(57,175)	(58,702)
Inventories	1,151,527	3,683,809
Other current assets	(9,367)	(137,595)
Contract liabilities	26,346	(14,534)
Trade payables	208,670	(433,466)
Trade payables to related parties	(2,562,531)	(2,580,173)
Other payables	(919,475)	(1,108,380)
Other payables to related parties	(810)	(9,221)
Other current liabilities	(1,578,566)	1,572,974
Net defined benefit liabilities	20	-
Other non-current liabilities	(10)	(10)
Cash generated from operations	2,697,918	5,845,400
Dividends received	56,533	28,843,970
Income tax paid	(38,101)	(2,679,159)
Net cash generated from operating activities	<u>2,716,350</u>	<u>32,010,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(119,156,741)	(155,202,778)
Proceeds from sale of financial assets at amortized cost	114,911,347	143,432,590
Purchase of financial assets at fair value through profit or loss	(7,282,335)	-
Proceeds from sale of financial assets at fair value through profit or loss	4,508,114	-
Acquisitions of investments accounted for using the equity method	(3,475,000)	-
Payments for property, plant and equipment	(654,601)	(735,620)
Proceeds from disposal of property, plant and equipment	29,701	51,544

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Increase in refundable deposits	\$ (22)	\$ (842)
Decrease in refundable deposits	120	820
Payments for of intangible assets	(9,503)	(8,633)
Payments for investment properties	(410)	(4,907)
Proceeds from disposal of investment properties	-	178
Interest received	<u>314,487</u>	<u>855,180</u>
Net cash used in investing activities	<u>(10,814,843)</u>	<u>(11,612,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	321,126,452	302,129,287
Repayments of short-term borrowings	(313,560,452)	(297,557,807)
Proceeds from guarantee deposits received	700	3,260
Refunds of guarantee deposits received	(900)	(1,520)
Increase in other payables to related parties	-	694,000
Decrease in other payables to related parties	-	(1,620,000)
Repayment of the principal portion of lease liabilities	(8,413)	(52,990)
Cash dividends paid	(9,139,417)	(7,616,181)
Payments for buy-back of ordinary shares	(3,421,174)	(1,796,390)
Interest paid	(478,470)	(463,493)
Proceeds from unclaimed dividends	<u>593</u>	<u>907</u>
Net cash used in financing activities	<u>(5,481,081)</u>	<u>(6,280,927)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,579,574)	14,116,816
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>27,670,632</u>	<u>13,553,816</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 14,091,058</u>	<u>\$ 27,670,632</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2022)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(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 24, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January

1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
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, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 3: The amendments are 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 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur 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 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 the based on 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 was 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 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 Company 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 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

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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. 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 Law 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 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

As of December 31, 2021 and 2020, 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 that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2021 will be used for permanent investment; the proposal was approved by the board of directors on February 24, 2022. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings. 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. Due to the government's implementation of The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Company evaluated the optimization of its working capital and tax planning. The board of directors Gigamag Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on July 28, 2020, which has been approved by the government. Remaining unappropriate retained earnings of other overseas subsidiaries will still be used for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 424	\$ 401
Demand deposits in banks	1,668,690	503,492
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	12,258,347	26,703,963
Repurchase agreements	66,050	462,776
Commercial Paper	97,547	-
	<u>\$ 14,091,058</u>	<u>\$ 27,670,632</u>

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

	December 31	
	2021	2020
Time deposits	0.17%-2.95%	0.33%-2.81%
Repurchase agreements	1%	1.05%-1.1%
Commercial Paper	0.3%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<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>1,709,396</u>	<u>348,932</u>
	<u>\$ 3,217,706</u>	<u>\$ 348,932</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31	
	2021	2020
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	\$ -	\$ 53,880
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	<u>36,240</u>	<u>30,300</u>
	<u>\$ 36,240</u>	<u>\$ 84,180</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	
	2021	2020
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 28,578,291	\$ 21,518,715
Repurchase agreements (a)	<u>387,644</u>	<u>-</u>
	<u>\$ 28,965,935</u>	<u>\$ 21,518,715</u>
<u>Non-current</u>		
Domestic investments		
Restricted bank deposit (a and b)	\$ 21,635,436	\$ 24,321,980
Time deposits with original maturity of more than 1 year (a)	254,196	261,556
Refundable deposits	<u>897</u>	<u>1,016</u>
	<u>\$ 21,890,529</u>	<u>\$ 24,584,552</u>

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

	December 31	
	2021	2020
Time deposits	0.12%-2.72%	0.31%-1%
Repurchase agreements	1%-1.2%	-

- b. 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. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	2020
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 21
Notes receivable - operating	\$ -	\$ 21
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 2,963,395	\$ 6,560,748
Less: Allowance for impairment loss	(8,438)	(8,438)
	<u>\$ 2,954,957</u>	<u>\$ 6,552,310</u>
Other receivables	<u>\$ 281,015</u>	<u>\$ 194,851</u>

a. Notes receivable

The Company analyzed the notes receivable that were not past due based on the past due status, and the Company did not recognize an allowance for loss on notes receivable as of December 31, 2021 and 2020.

b. 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, 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>

December 31, 2020

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%~0.13%	0%~2.35%	0%~9.94%	
Gross carrying amount	\$ 6,546,800	\$ 13,567	\$ 381	\$ 6,560,748
Loss allowance (Lifetime ECLs)	<u>(8,420)</u>	<u>(17)</u>	<u>(1)</u>	<u>(8,438)</u>
Amortized cost	<u>\$ 6,538,380</u>	<u>\$ 13,550</u>	<u>\$ 380</u>	<u>\$ 6,552,310</u>

There is no movements of the loss allowance of trade receivables in 2021 and 2020.

c. 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, 2021 and 2020.

11. INVENTORIES

	December 31	
	2021	2020
Merchandise	\$ 11,033	\$ 44,250
Finished goods	689,073	1,624,250
Work-in-process and semi-finished goods	386,413	614,866
Raw materials and supplies	<u>152,420</u>	<u>107,100</u>
	<u>\$ 1,238,939</u>	<u>\$ 2,390,466</u>

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

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	\$ 12,254,239	\$ 54,847,371
Others	<u>(15,252)</u>	<u>(39,520)</u>
	<u>\$ 12,238,987</u>	<u>\$ 54,807,851</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	\$ 158,323,306	\$ 146,570,871
Investments in associates	<u>8,050</u>	<u>11,583</u>
	<u>\$ 158,331,356</u>	<u>\$ 146,582,454</u>

a. Investments in subsidiaries

	December 31	
	2021	2020
Unlisted Shares		
Gigamag Co., Ltd.	\$ 827,183	\$ 1,091,353
Nanomag International Co., Ltd.	152,280,408	143,762,628
Ku Yue Co., Ltd.	2,976,267	1,119,774
Yi Sheng Co., Ltd.	1,018,111	298,558
Yi De Co., Ltd.	1,021,328	298,558
Catcher Medtech Co., Ltd.	<u>200,009</u>	<u>-</u>
	<u>\$ 158,323,306</u>	<u>\$ 146,570,871</u>

	Proportion of Ownership and Voting Rights	
	December 31, 2021	December 31, 2020
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%	-

The Company incorporated its 100% owned subsidiaries, Catcher Medtech Co., Ltd. in September 2021.

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, 2021 and 2020 was based on the subsidiaries' financial statements which have been audited for the same years.

The board of directors resolved to dispose 100% shares of Suzhou subsidiaries (Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd.) and Taizhou subsidiaries (Topo Technology (Taizhou) Co., Ltd. and Meecca Technology (Taizhou) Co., Ltd.) in December 2021 and December 2020, respectively. Refer to Note 29 of the Company's consolidated financial statements for the year ended December 31, 2021.

b. Investments in associates

	December 31	
	2021	2020
Investments in associates		
Associates that are not individually material	\$ <u>8,050</u>	\$ <u>11,583</u>

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

	December 31	
	2021	2020
The Company's share of:		
Net profit and total comprehensive income (loss) for the year	\$ <u>(3,533)</u>	\$ <u>(712)</u>

13. PROPERTY, PLANT AND EQUIPMENT

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

See Table 10 for the statements of changes in property, plant and equipment for the years ended December 31, 2021 and 2020.

No impairment assessment was performed for the years ended December 31, 2021 and 2020 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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 164,249	\$ 182,209
Buildings	<u>8,765</u>	<u>4,346</u>
	<u>\$ 173,014</u>	<u>\$ 186,555</u>

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use asset	\$ <u>10,518</u>	\$ <u>40,056</u>
Depreciation charge for right-of-use assets		
Land	\$ 5,904	\$ 5,897
Buildings	<u>5,238</u>	<u>5,977</u>
	\$ <u>11,142</u>	\$ <u>11,874</u>
Income from the subleasing of right-of-use assets (presented in operating revenue)	\$ <u>(2,238)</u>	\$ <u>(2,225)</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.

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	\$ <u>8,514</u>	\$ <u>7,928</u>
Non-current	\$ <u>124,534</u>	\$ <u>135,932</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	2020
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	
	2021	2020
Year 1	\$ <u>2,269</u>	\$ <u>1,669</u>

e. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	\$ <u>655</u>	\$ <u>428</u>
Total cash outflow for leases	\$ <u>10,006</u>	\$ <u>54,484</u>

The Company leases certain assets which qualify as short-term leases and certain assets which 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, 2020	\$ 203,363	\$ 159,415	\$ 362,778
Additions	-	4,907	4,907
Disposals	<u>-</u>	<u>(9,446)</u>	<u>(9,446)</u>
Balance at December 31, 2020	<u>\$ 203,363</u>	<u>\$ 154,876</u>	<u>\$ 358,239</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ -	\$ 133,634	\$ 133,634
Depreciation	-	6,109	6,109
Disposals	<u>-</u>	<u>(8,500)</u>	<u>(8,500)</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 131,243</u>	<u>\$ 131,243</u>
Carrying amount at December 31, 2020	<u>\$ 203,363</u>	<u>\$ 23,633</u>	<u>\$ 226,996</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 203,363	\$ 154,876	\$ 358,239
Additions	<u>-</u>	<u>410</u>	<u>410</u>
Balance at December 31, 2021	<u>\$ 203,363</u>	<u>\$ 155,286</u>	<u>\$ 358,649</u>

(Continued)

	Land	Buildings	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 131,243	\$ 131,243
Depreciation	<u>-</u>	<u>5,841</u>	<u>5,841</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 137,084</u>	<u>\$ 137,084</u>
Carrying amount at December 31, 2021	<u>\$ 203,363</u>	<u>\$ 18,202</u>	<u>\$ 221,565</u>
			(Concluded)

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

Main buildings	25 - 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 fair value of the Company's investment properties was \$768,833 thousand as of December 31, 2020. The fair value was determined based on the valuation methodology carried out by independent qualified professional appraisers of CCIS Real Estate Appraisers Firm, who are non-related party of the Company, on December 31, 2020. The fair value of land was measured using the sales comparison approach, and the fair value of buildings was measured using the cost comparison approach. There is no material change in the fair value of the investment properties as of December 31, 2021 in comparison with that as of December 31, 2020.

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

The investment properties are leased out from May, 2017 to March, 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	
	2021	2020
Year 1	\$ 10,037	\$ 13,637
Year 2	7,560	9,360
Year 3	7,560	7,560
Year 4	7,560	7,560
Year 5	7,560	7,560
Year 6 onwards	<u>1,565</u>	<u>9,135</u>
	<u>\$ 41,842</u>	<u>\$ 54,812</u>

16. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Total
<u>Cost</u>			
Balance at January 1, 2020	\$ 137,607	\$ -	\$ 137,607
Additions	<u>8,633</u>	<u>-</u>	<u>8,633</u>
Balance at December 31, 2020	<u>\$ 146,240</u>	<u>\$ -</u>	<u>\$ 146,240</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2020	\$ 91,335	\$ -	\$ 91,335
Amortization expense	<u>44,043</u>	<u>-</u>	<u>44,043</u>
Balance at December 31, 2020	<u>\$ 135,378</u>	<u>\$ -</u>	<u>\$ 135,378</u>
Carrying amount at December 31, 2020	<u>\$ 10,862</u>	<u>\$ -</u>	<u>\$ 10,862</u>
<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>

The above intangible assets are amortized on a straight-line basis over 2-10 years estimated useful lives.

17. OTHER ASSETS

	<u>December 31</u>	
	2021	2020
<u>Current</u>		
Office supplies	\$ 66,121	\$ 57,468
Prepayments to suppliers	15,626	6,085
Prepaid expenses	13,545	26,167
Net Input VAT	500	129,074
Others	<u>348</u>	<u>161</u>
	<u>\$ 96,140</u>	<u>\$ 218,955</u>

(Continued)

	December 31	
	2021	2020
<u>Non-current</u>		
Prepaid equipment	\$ 6,738	\$ 71,223
Others	<u>1,020</u>	<u>900</u>
	<u>\$ 7,758</u>	<u>\$ 72,123</u>
		(Concluded)

18. SHORT - TERM BORROWINGS

	December 31	
	2021	2020
<u>Unsecured borrowings</u>		
Bank unsecured loans	<u>\$ 78,031,726</u>	<u>\$ 70,465,726</u>

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

	December 31	
	2021	2020
Bank unsecured loans	0.6%-0.88%	0.59%-0.87%

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	
	2021	2020
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 2,705,255	\$ 3,149,338
Payables for salaries and bonuses	438,070	457,986
Payables for office supplies	224,733	179,034
Payables for purchases of equipment	81,253	93,577
Payables for rework cost	-	90,364
Payables for annual leave	83,264	85,995
Payables for labor and health insurance	49,712	49,454
Payables for shipping expenses	17,794	45,485
Payables for technical services	77,784	33,197
		(Continued)

	December 31	
	2021	2020
Payables for professional service fees	\$ 13,651	\$ 30,838
Payables for utilities	30,277	30,358
Payables for pension	26,023	25,423
Remuneration of directors	16,400	15,523
Payables for interest	13,836	11,827
Others	<u>212,463</u>	<u>118,686</u>
	<u>\$ 3,990,515</u>	<u>\$ 4,417,085</u>
Other liabilities		
Advance sales receipts	\$ 5,225	\$ 1,581,402
Receipts under custody	14,608	17,074
Others	<u>77</u>	<u>-</u>
	<u>\$ 19,910</u>	<u>\$ 1,598,476</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 8,776	\$ 8,675
Others	<u>-</u>	<u>10</u>
	<u>\$ 8,776</u>	<u>\$ 8,685</u>

(Concluded)

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	
	2021	2020
Present value of defined benefit obligation	\$ 80,463	\$ 80,599
Fair value of plan assets	<u>(73,885)</u>	<u>(74,041)</u>
Net defined benefit liabilities	<u>\$ 6,578</u>	<u>\$ 6,558</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, 2020	<u>\$ 78,352</u>	<u>\$ (71,794)</u>	<u>\$ 6,558</u>
Service cost			
Current service cost	1,953	-	1,953
Net interest expense (income)	<u>627</u>	<u>(582)</u>	<u>45</u>
Recognized in profit or loss	<u>2,580</u>	<u>(582)</u>	<u>1,998</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,397)	(2,397)
Actuarial loss - changes in demographic assumptions	804	-	804
Actuarial loss - changes in financial assumptions	4,017	-	4,017
Actuarial gain - experience adjustments	<u>(2,424)</u>	<u>-</u>	<u>(2,424)</u>
Recognized in other comprehensive income	<u>2,397</u>	<u>(2,397)</u>	<u>-</u>
Contributions from the employer	-	(1,998)	(1,998)
Benefits paid	<u>(2,730)</u>	<u>2,730</u>	<u>-</u>
Balance at December 31, 2020	<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 loss - changes in financial assumptions	(3,425)	-	(3,425)
Actuarial gain - 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>

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	
	2021	2020
Operating costs	\$ 1,365	\$ 1,341
Selling and marketing expenses	81	86
General and administrative expenses	384	371
Research and development expenses	<u>306</u>	<u>200</u>
	<u>\$ 2,136</u>	<u>\$ 1,998</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	
	2021	2020
Discount rate	0.75%	0.35%
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	
	2021	2020
Discount rate		
0.25% increase	\$ (2,182)	\$ (2,272)
0.25% decrease	<u>\$ 2,253</u>	<u>\$ 2,349</u>
Expected rate of salary increase		
0.25% increase	\$ 2,145	\$ 2,226
0.25% decrease	<u>\$ (2,088)</u>	<u>\$ (2,165)</u>

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	
	2021	2020
Expected contributions to the plan for the next year	\$ <u>2,116</u>	\$ <u>1,998</u>
Average duration of the defined benefit obligation	10 years	10 years

22. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	\$ <u>10,000,000</u>	\$ <u>10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>761,618</u>	<u>761,618</u>
Shares issued	\$ <u>7,616,181</u>	\$ <u>7,616,181</u>

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

On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020. The Company's paid-in capital was \$7,616,181 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 issued at US\$32.84 and represented 5 ordinary shares. The Company issued 6,700 thousand units of GDRs, representing 33,500 thousand ordinary shares.

As of December 31, 2021 and 2020, there were 417 thousand units and 805 thousand units of outstanding GDRs, equivalent to 2,084 thousand ordinary shares and 4,024 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2021	2020
<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	\$ 7,375,327	\$ 7,375,327
Arising from conversion of bonds	12,629,553	12,629,553
<u>May only be used to offset a deficit</u>		
Donations from shareholders	3,944	3,351
	<u>\$ 20,008,824</u>	<u>\$ 20,008,231</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.

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.

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 not be distributed if 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 2020 and 2019 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2020	2019
Legal reserve	\$ 1,965,163	\$ 1,127,212
Special reserve	\$ 2,205,804	\$ 4,778,189
Cash dividends	\$ 9,139,417	\$ 7,616,181
Cash dividends per share (NT\$)	\$ 12	\$ 10

The Company’s board of directors resolved to distribute cash dividends on April 20, 2021 and May 18, 2020, respectively; the retained earnings were resolved by the shareholders in their meetings on August 27, 2021 and June 30, 2020, respectively.

d. Other equity items

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (14,326,474)	\$ (12,148,648)
Exchange differences on translating the financial statements of foreign operations	(2,532,659)	(2,177,826)
Balance at December 31	\$ (16,859,133)	\$ (14,326,474)

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (67,836)	\$ (39,858)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(47,940)	(5,115)
Unrealized gain (loss) - debt instruments	(41,625)	-
Share from subsidiaries accounted for using the equity method	53,557	(22,863)
Reclassification adjustments		
Disposal of investments in debt instruments	324	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>1,187</u>	<u>-</u>
Balance at December 31	<u>\$ (102,333)</u>	<u>\$ (67,836)</u>

e. 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, 2020	-
Increase during the year	8,773
Decrease during the year	<u>8,773</u>
Number of shares at December 31, 2020	<u>-</u>

To maintain the Company's credit and shareholders' equity, on December 8, 2021, the Company's board of directors resolved to buy back 25,000 thousand shares from December 9, 2021 to February 8, 2022 at a price ranging from \$106.80 per share to \$238.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. On December 31, 2021 and February 8, 2022, the Company bought back 6,034 thousand shares and 16,332 thousand shares, respectively. At the end of the exercise period, the Company bought back 16,332 thousand shares with the total cost of \$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 \$109.2 per share to \$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 the total cost of \$2,533,309 thousand.

To maintain the Company's credit and shareholders' equity, on March 17, 2020, the Company's board of directors resolved to buy back 25,000 thousand shares from March 18, 2020 to May 17, 2020 at a price ranging from \$132 per share to \$354.2 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 8,773 thousand shares with the total cost of \$1,796,390 thousand. On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020.

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	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 14,012,341	\$ 57,677,427
Rental income	<u>18,223</u>	<u>15,796</u>
	<u>\$ 14,030,564</u>	<u>\$ 57,693,223</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, 2021	December 31, 2020	January 1, 2020
Trade receivables			
Gross carrying amount	\$ 2,963,395	\$ 6,560,748	\$ 14,033,457
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 2,954,957</u>	<u>\$ 6,552,310</u>	<u>\$ 14,025,019</u>
Contract liabilities - current			
Sale of goods	<u>\$ 32,742</u>	<u>\$ 6,396</u>	<u>\$ 20,930</u>

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	\$ 284,758	\$ 735,343
Repurchase agreements	<u>4,793</u>	<u>9,908</u>
	<u>\$ 289,551</u>	<u>\$ 745,251</u>

b. Other income

	For the Year Ended December 31	
	2021	2020
Tax refund income (Note)	\$ -	\$ 1,230,578
Dividend income	55,931	19,421
Government grants	2,358	4,219
Recycling income	2,777	4,444
Others	<u>12,555</u>	<u>6,625</u>
	<u>\$ 73,621</u>	<u>\$ 1,265,287</u>

Note: Tax refund income was the application for the refund of value added taxes overpaid by the company.

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Fair value changes of financial assets mandatorily classified as at FVTPL	\$ 282,794	\$ 24,552
Others	<u>(9,233)</u>	<u>(196)</u>
	<u>\$ 273,561</u>	<u>\$ 24,356</u>

d. Interest expense

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 479,578	\$ 457,552
Interest on loans from related parties	-	4,155
Interest on lease liabilities	<u>938</u>	<u>1,066</u>
	<u>\$ 480,516</u>	<u>\$ 462,773</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 858,195	\$ 947,926
Operating expenses	<u>45,849</u>	<u>60,318</u>
	<u>\$ 904,044</u>	<u>\$ 1,008,244</u>
An analysis of amortization by function		
Operating costs	\$ 17,263	\$ 36,056
Operating expenses	<u>14,730</u>	<u>14,041</u>
	<u>\$ 31,993</u>	<u>\$ 50,097</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2021	2020
Direct operating expenses from investment properties generating rental income	\$ <u>7,879</u>	\$ <u>8,935</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 3,264,352	\$ 3,501,483
Post-employment benefits		
Defined contribution plans	97,884	97,043
Defined benefit plans (Note 21)	<u>2,136</u>	<u>1,998</u>
	<u>100,020</u>	<u>99,041</u>
	<u>\$ 3,364,372</u>	<u>\$ 3,600,524</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,897,257	\$ 3,120,381
Operating expenses	<u>467,115</u>	<u>480,143</u>
	<u>\$ 3,364,372</u>	<u>\$ 3,600,524</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, 2021 and 2020, which were approved by the Company's board of directors on February 24, 2022 and March 10, 2021, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	5.33%	3.99%
Remuneration of directors	0.17%	0.05%

Amount

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ <u>521,976</u>	\$ -	\$ <u>1,164,883</u>	\$ -
Remuneration of directors	\$ <u>16,400</u>	-	\$ <u>15,523</u>	-

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, 2020 and 2019.

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	
	2021	2020
Foreign exchange gains	\$ 2,626,590	\$ 9,218,022
Foreign exchange losses	<u>(4,631,872)</u>	<u>(12,843,139)</u>
	<u>\$ (2,005,282)</u>	<u>\$ (3,625,117)</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	
	2021	2020
Current tax		
Income tax on unappropriated earnings	\$ 340,681	\$ -
Adjustment for prior years	10,916	320,231
Tax on repatriated offshore funds	<u>-</u>	<u>2,294,302</u>
	<u>351,597</u>	<u>2,614,533</u>
Deferred tax		
In respect of the current year	239,088	4,223,688
Adjustment for prior years	<u>119,136</u>	<u>10,302</u>
	<u>358,224</u>	<u>4,233,990</u>
	<u>\$ 709,821</u>	<u>\$ 6,848,523</u>

The Company's tax adjustment for prior year increased during 2020 mainly due to the amended corporate tax and income tax on unappropriated earnings, which resulted from VAT tax refund income received.

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

	For the Year Ended December 31	
	2021	2020
Profit before income tax	\$ 9,284,865	\$ 27,978,343
Income tax expense calculated at the statutory rate	\$ 1,856,973	\$ 5,595,669
Unrealized gains on investments	(2,010,052)	(5,555,793)
Non-deductible expenses in determining taxable income	13,349	596
Non-additive income in determining taxable income	-	(401,355)
Deferred tax effect of earnings of subsidiaries	456,045	4,593,365
Tax-exempt income	(77,227)	(8,794)
Additional income tax on unappropriated earnings	340,681	-
Adjustments for prior years' deferred tax	119,136	10,302
Adjustments for prior years' tax	10,916	320,231
Tax on repatriated offshore funds	-	2,294,302
	<u>\$ 709,821</u>	<u>\$ 6,848,523</u>

The applicable corporate income tax rate used by the Company is 20%, and the tax rate of unappropriated earnings is 5%.

In July 2019, the president of the ROC announced The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, which stipulate that the applicable tax rate is adjusted from 20% to 8% for corporations applying for repatriation of funds within the approved period from August 15, 2019 to August 14, 2020. The repatriated funds should be deposited in the segregated foreign exchange deposit account for offshore funds, and the tax should be withheld by the account-handling bank. The Company repatriated funds of \$28,813,096 thousand (USD\$ 978,838 thousand), which was approved by the government in August and September 2020 and the tax of \$2,294,302 thousand was withheld.

b. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	\$ 84,316	\$ 88,129

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, 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
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
Unappropriated earnings of subsidiaries	<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>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 182,489	\$ 33,538	\$ 216,027
Impairment loss on property, plant and equipment	173	(142)	31
Unrealized sales returns	1,257	(1,226)	31
Defined benefit obligation	1,312	(1)	1,311
Payables for annual leave	15,897	1,302	17,199
Unrealized gain on disposals of property, plant and equipment	323	(175)	148
Unrealized intercompany profit	222,681	(98,855)	123,826
Other payables	143	6,496	6,639
Financial assets at FVTPL	9,143	(9,143)	-
Right - of - use assets	61	(61)	-
Unrealized foreign exchange losses	<u>233,031</u>	<u>113,061</u>	<u>346,092</u>
	666,510	44,794	711,304
Tax losses	<u>-</u>	<u>298,494</u>	<u>298,494</u>
	<u>\$ 666,510</u>	<u>\$ 343,288</u>	<u>\$ 1,009,798</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Depreciation differences	\$ 26,552	\$ (16,087)	\$ 10,465
Reserves for land value increment tax	12,597	-	12,597
Unappropriated earnings of subsidiaries	-	4,593,365	4,593,365
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 39,149</u>	<u>\$ 4,577,278</u>	<u>\$ 4,616,427</u>

d. Information about unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2021 comprised:

Unused Amount	Expiry Year
\$ 298,494	2030
<u>365,399</u>	2031
<u>\$ 663,893</u>	

As of December 31, 2021, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

Expansion of Construction Project	Tax-exemption Period
Five years tax-exempt expansion project approved under the Official Letter, No. 1020163631, issued by Tainan City Government	From January 1, 2016 to December 31, 2020

- 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\$12,388,484 thousand and NT\$12,980,304 thousand as of December 31, 2021 and 2020, respectively.

- f. Income tax assessments

The tax returns of the Company through 2019, except 2018, have been assessed by the tax authorities.

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

	For the Year Ended December 31	
	2021	2020
Net profit for the year of the Company	\$ <u>8,575,044</u>	\$ <u>21,129,820</u>

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

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	758,241	764,102
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>4,470</u>	<u>6,461</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>762,711</u>	<u>770,563</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, 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	<u>1,508,310</u>	<u>-</u>	<u>-</u>	<u>1,508,310</u>
	<u>\$ 3,217,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,217,706</u>
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,240</u>	<u>\$ 36,240</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	<u>\$ 348,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,932</u>
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,180</u>	<u>\$ 84,180</u>

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 84,180	\$ 89,295
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at financial assets at FVTOCI)	<u>(47,940)</u>	<u>(5,115)</u>
Balance at December 31	<u>\$ 36,240</u>	<u>\$ 84,180</u>

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

The fair value of unlisted equity securities in the ROC was 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.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 3,217,706	\$ 348,932
Financial asset at amortized cost (i)	68,306,859	84,150,595
Financial assets at FVTOCI		
Equity instruments	36,240	84,180

Financial liabilities

Financial liabilities measured at amortized cost (ii)	82,865,904	78,170,562
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- i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables (including related parties), other receivables and refundable deposits.
- ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, trade payables (including related parties), 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 31.

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			
	2021		2020	
Profit or loss	\$	660,167	\$	761,905
	RMB Impact			
	For the Year Ended December 31			
	2021		2020	
Profit or loss	\$	2,360	\$	8,859

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	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 63,277,511	\$ 73,268,990
Financial liabilities	133,048	143,860
Cash flow interest rate risk		
Financial assets	1,668,690	503,492
Financial liabilities	78,031,726	70,465,726

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, 2021 and 2020 would have decreased/increased by NT\$76,363 thousand and NT\$69,962 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 increased during the current period mainly due to the increase 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, 2021 and 2020 would have increased/decreased by NT\$32,177 thousand and NT\$3,489 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, 2021 and 2020 was as follows:

	December 31			
	2021		2020	
	Amount	%	Amount	%
Customer A	\$ 248,994	8	\$ 3,539,126	54
Customer B	1,655,145	56	1,421,261	22
Customer C	656,946	22	311,589	5

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, 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	<u>40,388,313</u>	<u>37,837,915</u>	<u>-</u>	<u>-</u>
	<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>

December 31, 2020

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 7,463,311	\$ 232,850	\$ 8,675	\$ -
Lease liabilities	1,298	7,612	18,334	132,023
Variable interest rate liabilities	<u>47,104,357</u>	<u>23,496,032</u>	<u>-</u>	<u>-</u>
	<u>\$ 54,568,966</u>	<u>\$ 23,736,494</u>	<u>\$ 27,009</u>	<u>\$ 132,023</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>\$ 8,910</u>	<u>\$ 18,334</u>	<u>\$ 22,918</u>	<u>\$ 22,918</u>	<u>\$ 44,935</u>	<u>\$ 41,252</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

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Unsecured bank loan facilities		
Amount used	\$ 78,042,286	\$ 70,475,726
Amount unused	<u>4,563,314</u>	<u>11,953,874</u>
	<u>\$ 82,605,600</u>	<u>\$ 82,429,600</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
Topo Technology (Taizhou) Co., Ltd. ("Topo Taizhou") (Note)	Subsidiaries (100% of Indirect ownership)
Meecca Technology (Taizhou) Co., Ltd. ("Meecca Taizhou") (Note)	Subsidiaries (100% of Indirect ownership)
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)

(Continued)

Related Party Name	Relationship
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)

(Concluded)

Note: Topo Taizhou and Meecca Taizhou were the Company's subsidiaries before December 31, 2020. The amount of transactions and account balance between the Company and Topo Taizhou and Meecca Taizhou are disclosed until the date of December 31, 2020.

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2021	2020
Revenue from sale of goods	Subsidiaries	\$ 49,005	\$ 3,578,563
Deduction of Costs	Subsidiaries	\$ 411	\$ 11,325
Rental income	Associates	\$ 2,238	\$ 2,225

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	
	2021	2020
Subsidiaries		
Next Level Ltd.	\$ 4,701,778	\$ 44,676,624
Lyra	544,356	-
Others	95,929	346,036
	<u>\$ 5,342,063</u>	<u>\$ 45,022,660</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	
	2021	2020
Subsidiaries	\$ 5,274	\$ 15,121

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	
		2021	2020
Trade receivables from related parties	Subsidiaries		
	Lyra	\$ -	\$ 3,479,296
	Other	<u>799</u>	<u>84,826</u>
		<u>\$ 799</u>	<u>\$ 3,564,122</u>
Other receivables from related parties	Subsidiaries		
	Next Level Ltd.	\$ 118,627	\$ -
	Catcher Sugian	1,768	53,813
	Other	2,140	11,548
	Associates	<u>31</u>	<u>31</u>
		<u>\$ 122,566</u>	<u>\$ 65,392</u>

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, 2021 and 2020.

f. Payables to related parties (Excluding loans from related parties)

Line Item	Related Party Category/Name	December 31	
		2021	2020
Trade payables to related parties	Subsidiaries		
	Next Level Ltd.	\$ 133,189	\$ 2,676,475
	Others	<u>58,524</u>	<u>77,769</u>
		<u>\$ 191,713</u>	<u>\$ 2,754,244</u>
Other payables to related parties	Subsidiaries	<u>\$ 2,309</u>	<u>\$ 92,637</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	
	2021	2020
Subsidiaries	<u>\$ 20,905</u>	<u>\$ 161,496</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, 2021 and 2020 was NT\$2,059 thousand and NT\$742 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	
	2021	2020
Subsidiaries		
Catcher Suqian	\$ -	\$ 3,731
Vito Suqian	<u>6,116</u>	<u>3,713</u>
	<u>\$ 6,116</u>	<u>\$ 7,444</u>

The credit terms are 90 days after current month's closing for related parties. The accumulated unrealized gain for the years ended December 31, 2021 and 2020 was NT\$332,434 thousand and NT\$619,130 thousand, respectively and deducted from Investments accounted for using the equity method.

j. Loans from related parties

Interest expense

Related Party Category/Name	For the Year Ended December 31, 2020
Ke Yue Co., Ltd.	\$ 2,713
Yi Sheng Co., Ltd.	721
Yi De Co., Ltd.	<u>721</u>
	<u>\$ 4,155</u>

The interest rate to related parties is comparable to the market.

k. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 60,824	\$ 133,174
Post-employment benefits	<u>29,296</u>	<u>29,943</u>
	<u>\$ 90,120</u>	<u>\$ 163,117</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. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2021 and 2020 were as follows:

Unrecognized commitments are as follows:

	December 31	
	2021	2020
Acquisition of property, plant and equipment	\$ 45,950	\$ 58,439
Acquisition of inventories	\$ 105,067	\$ 47,947

31. 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, 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

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,794,953	28.43	\$ 79,460,520
RMB	229,568	4.3520	999,079
<u>Non-monetary items</u>			
Investment accounted for using equity method			
USD	5,086,165	28.48	144,853,981
<u>Financial liabilities</u>			
Monetary items			
USD	114,615	28.53	3,269,980
RMB	25,703	4.4020	113,145

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2021		2020		
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	28.009 (USD:NTD)	\$ (2,011,968)	29.549 (USD:NTD)	\$ (3,626,232)
RMB	4.3417 (RMB:NTD)	4,493	4.2837 (RMB:NTD)	1,889
JPY	0.2554 (JPY:NTD)	2,196	0.2769 (JPY:NTD)	(779)
EUR	33.16 (EUR:NTD)	(3)	33.71 (EUR:NTD)	5
		<u>\$ (2,005,282)</u>		<u>\$ (3,625,117)</u>

32. 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 (Table 5)

- 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 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (N/A)
- b. Information on investees (Table 8)
- 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 9)
 - 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, 6 and 7):
 - 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, 2021
(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	\$ 1,367,856	<u>\$ 868,300</u>	\$ 868,300	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 756,885,665	<u>\$ 756,885,665</u>
2	Vito Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,042,176	<u>\$ 607,810</u>	607,810	1.5	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
3	Arcadia Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,820,730	<u>\$ -</u>	-	1.5	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
4	Lyra International Co., Ltd Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	570,700	<u>\$ 553,600</u>	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
5	Norma International Co., Ltd.	Cygnus International Co., Ltd.	Other receivables - related parties	Yes	570,700	<u>\$ -</u>	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
6	Uranus International Co., Ltd.	Lyra International Co., Ltd.	Other receivables - related parties	Yes	142,675	\$ -	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	
		Next Level Ltd.	Other receivables - related parties	Yes	856,050	830,400	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	2,282,800	-	-	-	For short-term financing	-	Operating capital	-	-	-	756,885,665	<u>\$ 756,885,665</u>
						<u>\$ 830,400</u>										

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value as of December 31, 2021 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2021 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value as of December 31, 2021 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2021 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, 2021
(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	\$ 75,688,567	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	75,688,567	21,937	<u>\$ 13,024</u>	<u>\$ 13,024</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	75,688,567	21,937	<u>\$ 13,024</u>	<u>\$ 13,024</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
3	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	75,688,567	217,453	<u>\$ 216,640</u>	<u>\$ 216,640</u>	<u>\$ -</u>	0.14	<u>\$ 151,377,133</u>	N	N	Y
4	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	75,688,567	13,162	<u>\$ 8,683</u>	<u>\$ 8,683</u>	<u>\$ -</u>	0.01	<u>\$ 151,377,133</u>	N	N	Y
5	Aquila Technology (Suqian) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Business relation	75,688,567	19,975	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ 151,377,133</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, 2021.

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, 2021.

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, 2021
 (In Thousands of New Taiwan 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</u>							
	United Microelectronics Corp.	None	Financial assets at FVTPL - current	1,750,000	\$ 113,750	0.01	\$ 113,750	
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Financial assets at FVTPL - current	130,000	79,950	-	79,950	
	Winbond Electronics Corporation	None	Financial assets at FVTPL - current	900,000	30,600	0.02	30,600	
	Sdi Corporation	None	Financial assets at FVTPL - current	160,000	28,080	0.09	28,080	
	Au Optronics Corp.	None	Financial assets at FVTPL - current	1,300,000	29,770	0.01	29,770	
	MediaTek Inc.	None	Financial assets at FVTPL - current	60,000	71,400	-	71,400	
	Highwealth Construction Corp.	None	Financial assets at FVTPL - current	560,000	25,900	0.04	25,900	
	Evergreen Marine Corp. (Taiwan) Ltd.	None	Financial assets at FVTPL - current	330,000	47,025	0.01	47,025	
	China Airlines Ltd.	None	Financial assets at FVTPL - current	1,650,000	45,458	0.03	45,458	
	Fubon Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	552,000	42,118	-	42,118	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	690,000	43,125	0.01	43,125	
	China Development Financial Holding Corp.	None	Financial assets at FVTPL - current	2,500,000	43,750	0.01	43,750	
	Elite Semiconductor Microelectronics Tech Inc	None	Financial assets at FVTPL - current	170,000	28,050	0.06	28,050	
	Novatek Microelectronics Corp.	None	Financial assets at FVTPL - current	80,000	43,120	0.01	43,120	
	Faraday Technology Corp.	None	Financial assets at FVTPL - current	320,000	76,480	0.13	76,480	
	Unimicron Technology Corp.	None	Financial assets at FVTPL - current	130,000	30,030	0.01	30,030	
	Kinsus Interconnect Technology Corp.	None	Financial assets at FVTPL - current	340,000	79,220	0.08	79,220	
	Auras Technology Co.,ltd.	None	Financial assets at FVTPL - current	132,000	26,664	0.15	26,664	
	eMemory Technology Inc.	None	Financial assets at FVTPL - current	45,000	98,550	0.06	98,550	
	Lotes Co., Ltd	None	Financial assets at FVTPL - current	39,000	29,679	0.04	29,679	
	Jentech Precision Industrial Co., Ltd	None	Financial assets at FVTPL - current	70,000	28,560	0.06	28,560	
	Fitipower Integrated Technology Inc.	None	Financial assets at FVTPL - current	93,000	26,226	0.05	26,226	
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	212,483	6.95	212,483	
	Aspeed Technology Inc.	None	Financial assets at FVTPL - current	16,000	57,040	0.05	57,040	
	Vanguard International Semiconductor Co.	None	Financial assets at FVTPL - current	400,000	63,200	0.02	63,200	
	Sino-american Silicon Products Inc.	None	Financial assets at FVTPL - current	125,000	29,500	0.02	29,500	
	Genesys Logic, Inc.	None	Financial assets at FVTPL - current	142,000	28,613	0.16	28,613	
	Anpec Electronics Corporation	None	Financial assets at FVTPL - current	160,000	44,560	0.22	44,560	
	Tong Hsing Electronic Industries ,Ltd.	None	Financial assets at FVTPL - current	90,000	26,775	0.05	26,775	
	Global Wafers Co., Ltd	None	Financial assets at FVTPL - current	80,000	71,040	0.02	71,040	
	Nan Ya Printed Circuit Board Corporation	None	Financial assets at FVTPL - current	190,000	108,680	0.03	108,680	
	<u>Beneficiaries Certificates</u>							
	Yuanta/p-shares Taiwan Top 50 ETF	None	Financial assets at FVTPL - current	384,000	55,872		55,872	
	Fubon Taiwan Technology Tracker Fund	None	Financial assets at FVTPL - current	995,000	133,478		133,478	
	Yuanta/p-shares Taiwan Dividend Plus ETF	None	Financial assets at FVTPL - current	455,000	15,279		15,279	
	Yuanta S&P 500 ETF	None	Financial assets at FVTPL - current	1,166,000	47,433		47,433	
	Fubon NASDAO-100 Index ETF	None	Financial assets at FVTPL - current	1,119,000	65,797		65,797	
	Yuanta U.s. Treasury 20+ Year Bond ETF	None	Financial assets at FVTPL - current	1,578,000	65,045		65,045	
	Cathay Bloomberg Barclays U.S. Treasury 20+ Year Bond ETF	None	Financial assets at FVTPL - current	737,000	31,706		31,706	
	Cathay TIP TAIEX+ Low Volatly Div Plus Sel 30 Etf	None	Financial assets at FVTPL - current	2,483,000	66,966		66,966	
	Capital Dow Jones U.S. Real Estate Index ETF	None	Financial assets at FVTPL - current	987,000	23,461		23,461	

(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	
Ke Yue Co., Ltd.	Cathay BBB Corporate Bond Ex China Coupon 4.5% 10yrplus 20% Sector Capped ETF	None	Financial assets at FVTPL - current	1,257,000	\$ 54,994		\$ 54,994	
	Cathay EM USD Investment Grade Ex China Coupon 5.5% 5yrplus 10% Country Capped ETF	None	Financial assets at FVTPL - current	190,000	7,836		7,836	
	Cathay High Yield Ex China Cash Pay 1-5 Year 2% Issuer Capped ETF	None	Financial assets at FVTPL - current	3,074,000	115,982		115,982	
	FSITC Taiwan Industry Elite 30 ETF	None	Financial assets at FVTPL - current	228,000	7,211		7,211	
	Fubon Taiwan Small-mid Cap Alpha Momentum 50 ETF	None	Financial assets at FVTPL - current	1,224,000	51,641		51,641	
	Upamc Nyse Fang+ ETF	None	Financial assets at FVTPL - current	1,870,000	94,622		94,622	
	Cathay U.S. PHLX Semiconductor Sector ETF	None	Financial assets at FVTPL - current	4,018,000	140,550		140,550	
	UPAMC 10y+ Aa-a USD Senior Corporate Bond ETF	None	Financial assets at FVTPL - current	2,048,000	71,352		71,352	
	Cathay Taiwan 5g Plus ETF	None	Financial assets at FVTPL - current	3,739,000	71,004		71,004	
	Fubon FTSE Vietnam ETF	None	Financial assets at FVTPL - current	1,254,000	22,121		22,121	
	Cathay Global Autonomous and Electric Vehicles ETF	None	Financial assets at FVTPL - current	4,334,000	72,551		72,551	
	Fubon MSCI ACWI IMI Select Future Mobility Top 30 Capped ETF	None	Financial assets at FVTPL - current	3,760,000	68,169		68,169	
	UPAMC JAMES BOND MONEY MARKET FUND	None	Financial assets at FVTPL - current	13,349,709	225,240		225,240	
	<u>Unlisted Shares</u>							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	36,240	3.57	36,240	
	<u>Listed Shares</u>							
	Delta Electronics, Inc.	None	Financial assets at FVTPL - current	50,000	13,750	-	13,750	
	ITEQ Corporation	None	Financial assets at FVTPL - current	150,000	21,300	0.05	21,300	
	Wistron Corporation	None	Financial assets at FVTOCI - current	100,000	2,915	-	2,915	
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	15,000	864	0.01	864	
	Bioteque Corporation	None	Financial assets at FVTOCI - current	3,799,000	434,986	5.48	434,986	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	6,949,000	521,870	9.57	521,870	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	6,426	0.26	6,426	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	84,000	7,249	0.17	7,249	
	<u>Beneficiaries Certificates</u>							
	UPAMC JAMES BOND MONEY MARKET FUND	None	Financial assets at FVTPL - current	35,598,056	600,621		600,621	
	<u>Limited Partnerships</u>							
Yi De Co., Ltd.	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	96,939	12.78	96,939	Note 3
	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	35,618	7.39	35,618	Note 3
	<u>Listed Shares</u>							
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	20,000	1,152	0.01	1,152	
	Bioteque Corporation	None	Financial assets at FVTOCI - current	1,964,000	224,878	2.83	224,878	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	3,473,000	260,822	4.78	260,822	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	22,586	0.92	22,586	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	489,000	42,201	1.01	42,201	
	<u>Beneficiaries Certificates</u>							
	Capital Money Market Fund	None	Financial assets at FVTPL - current	4,573,268	74,531		74,531	
Yi Sheng Co., Ltd.	<u>Listed Shares</u>							
	Bioteque Corporation	None	Financial assets at FVTOCI - current	2,101,000	240,565	3.03	240,565	
	Pacific Hospital Supply Co., Ltd.	None	Financial assets at FVTOCI - current	1,209,000	90,796	1.67	90,796	

(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	
Nanomag International Co., Ltd.	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	\$ 3,150	0.13	\$ 3,150	Note 3
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	122,000	10,529	0.25	10,529	
	<u>Beneficiaries Certificates</u>							
	PGIM Prudential Financial Money Market Fund	None	Financial assets at FVTPL - current	2,503,108	40,029		40,029	
	<u>Limited Partnerships</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 29,729	23.51	USD 29,729	
	<u>BONDS</u>							
	AMERICAN AIRLINES INC/AADVANTAGE	None	Financial assets at FVTOCI - non-current	-	USD 1,040		USD 1,040	
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	-	USD 1,103		USD 1,103	
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	-	USD 996		USD 996	
	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,100		USD 1,100	
	ALBERTSONS COS LLC/SAFEWAY INC/NEW	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	ALLIED UNIVERSAL HOLDCO LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,049		USD 1,049	
	ANGLO AMERICAN CAPITAL PLC	None	Financial assets at FVTOCI - non-current	-	USD 730		USD 730	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,055		USD 1,055	
	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,559		USD 1,559	
	BPCE SA	None	Financial assets at FVTOCI - non-current	-	USD 2,150		USD 2,150	
	BANCOLOMBIA SA	None	Financial assets at FVTOCI - non-current	-	USD 1,004		USD 1,004	
	BANCO DE CREDITO DEL PERU	None	Financial assets at FVTOCI - non-current	-	USD 1,034		USD 1,034	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,750		USD 1,750	
	BAYER US FINANCE LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,254		USD 1,254	
	BRASKEM FINANCE LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,093		USD 1,093	
	BROADCOM INC	None	Financial assets at FVTOCI - non-current	-	USD 1,640		USD 1,640	
	CCO HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,619		USD 1,619	
	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,573		USD 1,573	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,105		USD 1,105	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	CHEMOURS COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,070		USD 1,070	
	CHENIERE ENERGY PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	-	USD 1,182		USD 1,182	
	CITIGROUP INC	None	Financial assets at FVTOCI - non-current	-	USD 1,089		USD 1,089	
	CLARIOS GLOBAL LP	None	Financial assets at FVTOCI - non-current	-	USD 1,048		USD 1,048	
	CLEAR CHANNEL INTERNATIONAL BV	None	Financial assets at FVTOCI - non-current	-	USD 1,038		USD 1,038	
	CLEVELAND-CLIFFS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	COLOMBIA (REPUBLIC OF)	None	Financial assets at FVTOCI - non-current	-	USD 1,032		USD 1,032	
	CONSTELLUM SE	None	Financial assets at FVTOCI - non-current	-	USD 263		USD 263	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	-	USD 1,665		USD 1,665	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	-	USD 1,093		USD 1,093	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	-	USD 1,901		USD 1,901	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,020		USD 1,020	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,177		USD 1,177	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	-	USD 2,047		USD 2,047	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,468		USD 1,468	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,901		USD 1,901	
	EQT CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,027		USD 1,027	
	EQT MIDSTREAM PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	ECOPETROL SA	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	ELDORADO RESORTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,050		USD 1,050	
	EMPRESA NACIONAL DE TELECOMUNICACI	None	Financial assets at FVTOCI - non-current	-	USD 1,054		USD 1,054	
	ENDEAVOR ENERGY RESOURCES LP/ EER	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	-	USD 1,108		USD 1,108	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,088		USD 1,088	

(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	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,335		USD 1,335	
	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	-	USD 903		USD 903	
	FIRST QUANTUM MINERALS LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,029		USD 1,029	
	FORD MOTOR COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,091		USD 1,091	
	FREEMPORT-MCMORAN INC	None	Financial assets at FVTOCI - non-current	-	USD 1,040		USD 1,040	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	-	USD 1,575		USD 1,575	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	GLOBAL PAYMENTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,070		USD 1,070	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	-	USD 2,005		USD 2,005	
	GRUPO AVAL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	HCA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,613		USD 1,613	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	-	USD 1,152		USD 1,152	
	HESS INFRASTRUCTURE PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	HOST HOTELS & RESORTS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	-	USD 2,085		USD 2,085	
	ILIAD HOLDING SAS	None	Financial assets at FVTOCI - non-current	-	USD 525		USD 525	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	-	USD 1,562		USD 1,562	
	IRON MOUNTAIN INC	None	Financial assets at FVTOCI - non-current	-	USD 1,037		USD 1,037	
	ISRAEL ELECTRIC CORPORATION LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,619		USD 1,619	
	JBS INVESTMENTS II GMBH	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	-	USD 568		USD 568	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	-	USD 1,570		USD 1,570	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,449		USD 1,449	
	MPLX LP	None	Financial assets at FVTOCI - non-current	-	USD 1,085		USD 1,085	
	MATTEL INC	None	Financial assets at FVTOCI - non-current	-	USD 1,026		USD 1,026	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	-	USD 1,775		USD 1,775	
	NAVIENT CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,100		USD 1,100	
	NEXTERA ENERGY OPERATING PARTNERS	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	NOVELIS CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,009		USD 1,009	
	OCCIDENTAL PETROLEUM CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,031		USD 1,031	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	-	USD 778		USD 778	
	ONEOK PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 1,790		USD 1,790	
	POSCO	None	Financial assets at FVTOCI - non-current	-	USD 1,546		USD 1,546	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 812		USD 812	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,072		USD 1,072	
	PARK INTERMEDIATE HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	-	USD 528		USD 528	
	PETROLEOS MEXICANOS	None	Financial assets at FVTOCI - non-current	-	USD 1,035		USD 1,035	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	-	USD 3,111		USD 3,111	
	PRIME SECURITY SERVICES BORROWER L	None	Financial assets at FVTOCI - non-current	-	USD 1,074		USD 1,074	
	RANGE RESOURCES CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,023		USD 1,023	
	ROCKETMTGE CO-ISSUER INC	None	Financial assets at FVTOCI - non-current	-	USD 496		USD 496	
	ROYAL CARIBBEAN CRUISES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	SA GLOBAL SUKUK LTD	None	Financial assets at FVTOCI - non-current	-	USD 985		USD 985	
	SANTANDER HOLDINGS USA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,042		USD 1,042	
	SASOL FINANCING USA LLC	None	Financial assets at FVTOCI - non-current	-	USD 522		USD 522	
	SCHLUMBERGER HOLDINGS CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,574		USD 1,574	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	-	USD 2,108		USD 2,108	
	SIRIUS XM RADIO INC	None	Financial assets at FVTOCI - non-current	-	USD 350		USD 350	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,361		USD 1,361	
	SOUTHWESTERN ENERGY COMPANY	None	Financial assets at FVTOCI - non-current	-	USD 1,116		USD 1,116	
	SPIRIT LOYALTY CAYMAN LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,104		USD 1,104	
	SPRINGLEAF FINANCE CORP	None	Financial assets at FVTOCI - non-current	-	USD 1,060		USD 1,060	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	-	USD 2,070		USD 2,070	
	SURA ASSET MANAGEMENT SA	None	Financial assets at FVTOCI - non-current	-	USD 1,054		USD 1,054	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	-	USD 787		USD 787	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	TARGA RESOURCES PARTNERS LP	None	Financial assets at FVTOCI - non-current	-	USD 536		USD 536	
	TELECOM ITALIA SPA	None	Financial assets at FVTOCI - non-current	-	USD 1,052		USD 1,052	
	TENET HEALTHCARE CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,027		USD 1,027	

(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.	TRANSDIGM INC	None	Financial assets at FVTOCI - non-current	-	USD 1,039		USD 1,039	
	TRONOX INC	None	Financial assets at FVTOCI - non-current	-	USD 1,057		USD 1,057	
	UNITED AIRLINES INC	None	Financial assets at FVTOCI - non-current	-	USD 1,043		USD 1,043	
	VEB FINANCE PLC	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	-	USD 1,554		USD 1,554	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	-	USD 2,091		USD 2,091	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	-	USD 1,041		USD 1,041	
	VISTRA OPERATIONS COMPANY LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	-	USD 2,178		USD 2,178	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	-	USD 1,587		USD 1,587	
	WYNDHAM HOTELS & RESORTS INC	None	Financial assets at FVTOCI - non-current	-	USD 1,030		USD 1,030	
	ZIGGO SECURED FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	GRUPO AVAL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	BHARTI AIRTEL INTERNATIONAL NETHERLANDS BV	None	Financial assets at FVTOCI - non-current	-	USD 1,075		USD 1,075	
	ALFA SAB DE CV	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	BANCO SANTANDER MEXICO SA INSTITUC	None	Financial assets at FVTOCI - non-current	-	USD 1,091		USD 1,091	
	COMISION FEDERAL DE ELECTRICIDAD	None	Financial assets at FVTOCI - non-current	-	USD 1,061		USD 1,061	
	EL FONDO MIVIVIENDA SA	None	Financial assets at FVTOCI - non-current	-	USD 1,018		USD 1,018	
	ADANI PORTS AND SPECIAL ECONOMIC Z	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	INDONESIA ASAHAN ALUMINIUM PERSERO	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	ARCELIK AS	None	Financial assets at FVTOCI - non-current	-	USD 500		USD 500	
	MAF GLOBAL SECURITIES LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,069		USD 1,069	
	ONGC VIDESH LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,067		USD 1,067	
	NTPC LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,063		USD 1,063	
	DP WORLD LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,033		USD 1,033	
	LUKOIL INTERNATIONAL FINANCE BV	None	Financial assets at FVTOCI - non-current	-	USD 1,068		USD 1,068	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	-	USD 524		USD 524	
	RURAL ELECTRIFICATION CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,058		USD 1,058	
	INDIAN RAILWAY FINANCE CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,041		USD 1,041	
	PT BANK MANDIRI (PERSERO) TBK (SYA)	None	Financial assets at FVTOCI - non-current	-	USD 1,042		USD 1,042	
	JSW STEEL LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,059		USD 1,059	
	CNAC HK FINBRIDGE CO LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,036		USD 1,036	
	POWER FINANCE CORP LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,028		USD 1,028	
	SAMBA FUNDING LTD	None	Financial assets at FVTOCI - non-current	-	USD 1,026		USD 1,026	
	MEGLOBAL CANADA INC	None	Financial assets at FVTOCI - non-current	-	USD 1,090		USD 1,090	
	<u>Simple Agreement For Future Equity (SAFE)</u>							
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	-	USD 1,700		USD 1,700	
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	-	USD 1,000		USD 1,000	
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 14,743	2.54	USD 14,743	Note 3
	Abg-Cmrco LP	None	Financial assets at FVTPL - non-current	-	USD 6,816	25.32	USD 6,816	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 1,344	5.21	USD 1,344	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 985	8	USD 985	Note 3
	<u>Private Equity Securities</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	-	USD 3,262	13.33	USD 3,262	Note 3

(Concluded)

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 8 and 9 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 NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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
Catcher Technology Co., LTD.	<u>Beneficiaries Certificates</u>													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	26,699,417.96	\$ 450,005	13,349,709	\$ 225,228	\$ 225,002	\$ 226	13,349,708.96	\$ 225,240
	Fuh Hwa Developed Countries 300 Equity Index Fund	Financial assets at FVTPL - current	-	-	-	-	27,364,761.20	359,587	27,364,761.20	376,768	359,587	17,181	-	-
	<u>Unlisted Shares</u>													
	Ke Yue Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	11,290,000	1,119,774	187,100,000	1,871,000	-	-	-	-	198,390,000	2,976,267
	Yi Sheng Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	3,070,000	298,558	70,200,000	702,000	-	-	-	-	73,270,000	1,018,111
	Yi De Co., Ltd.	Investments accounted for using equity method	Note 2	Investing activities	3,070,000	298,558	70,200,000	702,000	-	-	-	-	73,270,000	1,021,328
Ke Yue Co., Ltd.	<u>Listed Shares</u>													
	Bioteque Corporation	Financial assets at FVTOCI - current	-	-	-	-	3,799,000	414,923	-	-	-	-	3,799,000	434,986
	Pacific Hospital Supply Co., Ltd.	Financial assets at FVTOCI - current	-	-	-	-	6,949,000	512,063	-	-	-	-	6,949,000	521,870
	<u>Beneficiaries Certificates</u>													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	59,326,056.18	1,000,000	23,728,000	400,173	400,173	-	35,598,056.18	600,621
Yi Sheng Co., Ltd.	<u>Beneficiaries Certificates</u>													
	PGIM Prudential Financial Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	18,779,107.60	300,000	16,276,000	260,171	260,012	159	2,503,107.60	40,029
Yi De Co., Ltd.	<u>Beneficiaries Certificates</u>													
	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	30,708,267.80	500,000	26,135,000	425,746	425,746	-	4,573,267.80	74,531
Nanomag International Co., Ltd.	<u>Unlisted Shares</u>													
	Cor Ventures Pte. Ltd.	Investments accounted for using equity method	Note 2	Investing activities	9,165,797	USD 8,999	46,000,000	USD 46,000	-	-	-	-	55,165,797	USD 58,270
Cor Ventures Pte. Ltd.	<u>Private Equity Funds</u>													
	Ally Bridge Group LP	Financial assets at FVTPL - non-current	-	-	-	-	-	USD 11,878	-	-	-	-	-	USD 14,743

Note 1: The closing amount includes fair value adjustments, the gain/losses from subsidiaries from adoption of equity method, the exchange differences on translating the financial statements of foreign operations, and other equity-related adjustments.

Note 2: Implemented cash capital increase

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/ Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing plant	2017.08.18-2021.12.31	Contract price is NT\$751,583 thousand (RMB 173,116 thousand); NT\$740,309 thousand has been put into construction	In accordance with rules of contracts and progress	Self-built assets (The main contractor is Zhongxing Construction Co., Ltd.)	-	-	-	-	\$ -	Price comparison or negotiation	Operating production	-

TABLE 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ (671,695)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 206,686	7	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(1,209,280)	8	Net 30 to 90 days after month end close	Equivalent	Equivalent	1,339,392	43	
		Same ultimate parent company	Purchases	142,819	8	Net 30 to 90 days after month end close	Equivalent	Equivalent	(92,111)	11	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	120,272	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	
Vito Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(822,548)	10	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	
	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(445,213)	5	Net 30 to 90 days after month end close	Equivalent	Equivalent	159,282	5	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(2,559,902)	30	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,445,258	69	
		Same ultimate parent company	Purchases	273,330	14	Net 30 to 90 days after month end close	Equivalent	Equivalent	(173,689)	19	
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(683,157)	8	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	80,596	2	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	100,984	6	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(3,186,954)	100	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	995,031	98	
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(4,701,778)	96	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	133,189	97	
Lyra International Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(544,356)	98	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	

TABLE 7

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, 2021
(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	\$ 823,177	- (Note 3)	\$ -	Not applicable	\$ 210,153	\$ -
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	206,686	0.94	-	Not applicable	72,960	-
			868,300	- (Note 1)	-	Not applicable	-	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,339,392	1.79	-	Not applicable	141,054	-
			159,282	1.01	-	Not applicable	47,953	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	607,810	- (Note 1)	-	Not applicable	607,810	-
Envio Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,445,258	2.12	-	Not applicable	591,809	-
			173,689	2.07	-	Not applicable	60,212	-
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	995,031	1.87	-	Not applicable	218,352	-
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	133,189	3.38	-	Not applicable	133,189	-
Nanomag International Co., Ltd.	Norma International Co., Ltd.	Same ultimate parent company	277,630	- (Note 4)	-	Not applicable	-	-
Catcher Technology Co., Ltd.	Next Level Ltd.	Subsidiary	118,627	- (Note 5)	-	Not applicable	118,627	-

Note 1: The ending balance of financing provided is not in the calculation of the turnover rate.

Note 2: The ending balance of property, plant and equipment purchased is not in the calculation of the turnover rate.

Note 3: The ending balance of processing income receivables is not in the calculation of the turnover rate.

TABLE 8

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2021	December 31, 2020	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	\$ 827,183	\$ (235,549)	\$ (235,587)	
	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	152,280,408	10,350,209	10,622,703	
	Yue-Kang Health Control Technology Inc.	13F., No. 97, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City 106, Taiwan (R.O.C.)	Health and medical treatment consultant	72,000	72,000	7,200,000	45	8,050	(7,851)	(3,533)	
	Ke Yue Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City 106, Taiwan (R.O.C.)	Investing activities	3,000,000	1,129,000	198,390,000	100	2,976,267	(43,422)	(43,422)	
	Yi Sheng Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	298,000	73,270,000	100	1,018,111	(2,890)	(2,890)	
	Yi De Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	298,000	73,270,000	100	1,021,328	(297)	(297)	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Manufacturing, selling and developing medical equipments	200,000	-	2,000,000	100	200,009	9	9	
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	279 (USD 10,000)	279 (USD 10,000)	10,000	100	208	(34)		
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	4,398,774	1,086,700		
	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	15,962,412	(1,717,474)		
	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	148,763	84,959		
	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	21,925,405	4,834,820		
	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	9,333,735	3,647,620		
	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	319,821	177,964		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	255,359 (SGD 12,118,100)	55,165,797	100	1,612,920	91,317		
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)	10,005,259	100	4,113,164	1,084,791		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	9,251,008 (USD 332,053,412)	9,251,008 (USD 332,053,412)	332,053,412	100	16,098,268	(1,717,474)		
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)	1,400,000	100	199,765	87,605		

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 9.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 922,851 (USD 33,340,000)	\$ -	\$ -	\$ 922,851 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	277,077 (USD 10,010,000)	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,116,611 (USD 40,340,000)	-	-	1,116,611 (USD 40,340,000)	(90,275)	100	(90,275) (Note 2.(A))	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	5,482,243
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	-
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	276,800 (USD 10,000,000)	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	(31,848)	100	(31,848) (Note 2.(A))	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,536,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,629,572 (USD 94,999,000)	-	-	2,629,572 (USD 94,999,000)	2,866,631	100	2,633,813 (Note 2.(A))	12,285,519	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,439,610 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	1,115,457	100	1,071,410 (Note 2.(A))	9,804,384	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,572,166 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	3,402,108	100	3,371,530 (Note 2.(A))	5,463,895	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	2,785,913 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	265,183	100	265,183 (Note 2.(A))	3,442,959	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	38,752 (USD 1,400,000)	2. Cepheus International Co., Ltd.	31,002 (USD 1,120,000)	-	-	31,002 (USD 1,120,000)	117,668	75	117,668 (Note 2.(A))	149,294	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaochu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	611,228 (USD 22,081,923)	-	-	611,228 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (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)
\$ 5,311,264 (USD 191,880,923)	\$ 40,116,494 (USD 1,035,015,100) (RMB 2,641,316,560)	\$ 90,856,033

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 \$151,426,722×60%=\$90,856,033

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, 2021 was US\$1:NT\$27.68.
The exchange rate on December 31, 2021 was RMB1:NT\$4.3415

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 Chaochu 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, which is the proceeds arising from returned capital of the liquidation from Catcher Technology (Suzhou) Co., Ltd. and the returned capital reduction from Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd., is invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

CATCHER TECHNOLOGY CO., LTD.

**STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2020	\$ 2,179,324	\$ 3,032,429	\$ 7,726,804	\$ 40,564	\$ 48,401	\$ 789,709	\$ 57,909	\$ 13,875,140
Additions	-	3,495	16,054	1,835	4,169	63,391	25,966	114,910
Disposals	-	(1,430)	(283,355)	(4,700)	(207)	(31,678)	-	(321,370)
Reclassifications	-	9,260	434,409	-	5,075	19,387	(22,917)	445,214
Balance at December 31, 2020	<u>\$ 2,179,324</u>	<u>\$ 3,043,754</u>	<u>\$ 7,893,912</u>	<u>\$ 37,699</u>	<u>\$ 57,438</u>	<u>\$ 840,809</u>	<u>\$ 60,958</u>	<u>\$ 14,113,894</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2020	\$ -	\$ 490,877	\$ 5,182,598	\$ 25,956	\$ 35,587	\$ 559,478	\$ -	\$ 6,294,496
Depreciation expense	-	78,288	805,757	5,888	5,076	95,252	-	990,261
Disposals	-	(510)	(281,402)	(4,700)	(167)	(31,393)	-	(318,172)
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 568,655</u>	<u>\$ 5,706,953</u>	<u>\$ 27,144</u>	<u>\$ 40,496</u>	<u>\$ 623,337</u>	<u>\$ -</u>	<u>\$ 6,966,585</u>
Carrying amount at December 31, 2020	<u>\$ 2,179,324</u>	<u>\$ 2,475,099</u>	<u>\$ 2,186,959</u>	<u>\$ 10,555</u>	<u>\$ 16,942</u>	<u>\$ 217,472</u>	<u>\$ 60,958</u>	<u>\$ 7,147,309</u>
<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>

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STATEMENT 1**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Maturity Date	Interest Rate (%)	Amount
Cash on hand			\$ 424
Deposits			
Demand deposits			252,680
Foreign currency deposits (Note 1)			1,416,010
Cash Equivalents			
Time deposits (Note 2)	2022.01~2022.03	0.17~2.95	12,258,347
Repurchase agreements (Note 3)	2022.01	1	66,050
Commercial Paper	2022.01	0.3	<u>97,547</u>
			<u>\$14,091,058</u>

Note 1: Including US\$ 50,708,022.78, RMB 3,459,708.85 and JPY 22,569

Note 2: Including US\$ 438,000,000 and RMB 36,231,838.51

Note 3: Including US\$ 2,390,495.10
(US \$1=NT \$ 27.63, RMB 1=NT \$ 4.319 and JPY1=NT \$ 0.2385)

STATEMENT 2**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF FINANCIAL ASSET AT AMORTIZED COST - CURRENT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

Item	Rate (%)	Maturity Date	Amount
Current			
Time deposits with original maturity of more than 3 months	0.17~2.72	2022.01.06~ 2022.04.14	\$ 28,578,291
Repurchase agreements	1~1.2	2022.02.07~ 2022.05.10	387,644
			<u>\$ 28,965,935</u>
Non-current			
Restricted bank deposit	-	-	\$ 21,635,436
Time deposits with original maturity of more than 1 year	0.12~1	2025.08.07	254,196
Refundable deposits	-	-	897
			<u>\$ 21,890,529</u>

STATEMENT 3**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Customer Name	Amount
Customer A	\$ 1,655,145
Customer B	656,946
Customer C	248,994
Customer D	194,633
Others (Note 2)	<u>207,677</u>
	2,963,395
Less: Allowance for impairment loss	<u>8,438</u>
	<u>\$ 2,954,957</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, 2021****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Merchandise	\$ 11,033	\$ 20,195
Finished goods	689,073	828,344
Work-in-process and semi-finished goods	386,413	652,419
Raw materials	65,826	82,912
Supplies	<u>86,594</u>	<u>118,867</u>
	<u>\$ 1,238,939</u>	<u>\$ 1,702,737</u>

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI – NON-CURRENT
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2021		Additions		Unrealized Gain (loss) on Financial Assets at FVTOCI	Balance, December 31, 2021		Fair Value (Note)	Collateral
	Shares	Amount	Shares/Units	Amount		Shares	Amount		
Unlisted shares									
Alpha Information Systems, Inc.	1,500,000	\$ 53,880	-	\$ -	\$ (53,880)	1,500,000	\$ -	\$ -	None
CDIB Capital Innovation Accelerator Co., Ltd.	3,000,000	30,300	-	-	5,940	3,000,000	36,240	36,240	None
		<u>\$ 84,180</u>		<u>\$ -</u>	<u>\$ (47,940)</u>		<u>\$ 36,240</u>	<u>\$ 36,240</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, 2021
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2021		Additions (Reductions)		Note	Gain (loss) on Investments	Cumulative Translation Adjustment	Balance, December 31, 2021				
	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	\$143,762,628	-	\$ 398,411	Note 1	\$ 10,622,703	\$ (2,503,334)	30	100	\$152,280,408	\$153,189,475	None
Gigamag Co., Ltd.	14,377,642	1,091,353	-	742	Note 2	(235,587)	(29,325)	14,377,642	100	827,183	827,183	None
Yue-Kang Health Control Technology Inc.	7,200,000	11,583	-	-		(3,533)	-	7,200,000	45	8,050	8,050	None
Ke Yue Co., Ltd.	11,290,000	1,119,774	187,100,000	1,899,915	Note 3	(43,422)	-	198,390,000	100	2,976,267	2,976,268	None
Yi Sheng Co., Ltd.	3,070,000	298,558	70,200,000	722,443	Note 3	(2,890)	-	73,270,000	100	1,018,111	1,018,111	None
Yi De Co., Ltd.	3,070,000	298,558	70,200,000	723,067	Note 3	(297)	-	73,270,000	100	1,021,328	1,021,328	None
Catcher Medtech Co., Ltd.	-	-	2,000,000	200,000		9	-	2,000,000	100	200,009	200,009	None
		<u>\$146,582,454</u>		<u>\$ 3,944,578</u>		<u>\$ 10,336,983</u>	<u>\$ (2,532,659)</u>			<u>\$158,331,356</u>	<u>\$159,240,424</u>	

Note 1: Including the recognition of subsidiaries' salaries payable \$459,273 thousand, adjustment of unrealized profit \$2,158 thousand and realized profit 68 thousand of subsidiaries and recognition of unrealized loss on subsidiaries' investments in equity instruments at FVTOCI \$58,772 thousand.
Note 2: Including the adjustment of realized profit of subsidiaries and associates \$742 thousand.
Note 3: Including the increase of subsidiaries investments, recognition of subsidiaries' other comprehensive income, and cash dividends received from investments.

CATCHER TECHNOLOGY CO., LTD.**STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 192,406	\$ 15,438	\$ 207,844
Additions	-	10,518	10,518
Deductions	<u>(12,056)</u>	<u>(861)</u>	<u>(12,917)</u>
Balance at December 31, 2021	<u>\$ 180,350</u>	<u>\$ 25,095</u>	<u>\$ 205,445</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 10,197	\$ 11,092	\$ 21,289
Depreciation	<u>5,904</u>	<u>5,238</u>	<u>11,142</u>
Balance at December 31, 2021	<u>\$ 16,101</u>	<u>\$ 16,330</u>	<u>\$ 32,431</u>
Carrying amount at December 31, 2021	<u>\$ 164,249</u>	<u>\$ 8,765</u>	<u>\$ 173,014</u>

STATEMENT 8**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

	Maturity Date	Interest rate (%)	Balance	Credit Line	Collateral
Borrowings of unsecured loans					
CTBC Bank	2021.12 ~ 2022.03	0.65-0.75	\$ 5,665,000	\$ 5,665,000	None
Taishin Bank	2021.12 ~ 2022.01	0.88	3,000,000	3,000,000	None
Taipei Fubon Bank	2021.11 ~ 2022.05	0.62	8,800,000	8,800,000	None
HSBC Bank	2021.09 ~ 2022.09	0.82	4,900,000	5,300,000	None
SMBC Bank	2021.08 ~ 2022.04	0.69	17,240,000	17,240,000	None
Mizuho Bank	2021.07 ~ 2022.04	0.68	19,426,726	19,426,726	None
MUFG Bank	2021.11 ~ 2022.03	0.60	14,000,000	14,000,000	None
SinoPac Bank	2021.12 ~ 2022.02	0.70	<u>5,000,000</u>	5,000,000	None
			<u>\$ 78,031,726</u>		

STATEMENT 9**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Vendor A	\$ 223,377
Vendor B	36,158
Vendor C	35,891
Vendor D	34,377
Others (Note)	<u>311,062</u>
	<u>\$ 640,865</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, 2021****(In Thousands of New Taiwan Dollars)**

Item	Summary	Lease Period	Discount Rate (%)	Balance, End of Year	Note
Buildings	Taipei Office	2021.09 ~ 2023.10	0.71	\$ 8,775	-
Land	Land at Renai factory	2000.04 ~ 2050.04	0.71	<u>124,273</u>	-
				133,048	
	Less: mature in one-year			<u>(8,514)</u>	
				<u>\$ 124,534</u>	

STATEMENT 11**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Quantities (Thousands)	Amount
Sale of Goods		
Manufactured products		
Metal casing	12,432	\$ 14,106,915
Less : Sales returns	38	45,943
Sales discounts		<u>48,631</u>
Net operating revenue		14,012,341
Rental Income		<u>18,223</u>
		<u>\$ 14,030,564</u>

STATEMENT 12**CATCHER TECHNOLOGY CO., LTD.**
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise, beginning of year	\$ 44,250
Add: Merchandise purchased	5,349
Others	9,949
Less: Merchandise, end of year	<u>11,033</u>
Cost of commodity transaction	<u>48,515</u>
Raw materials, beginning of year	46,319
Add: Raw material purchased	1,129,550
Others	1
Less: Raw materials, end of year	65,826
Others	<u>1,710</u>
Raw material consumption	1,108,334
Direct labor	1,680,450
Manufacturing expenses	<u>3,806,730</u>
Manufacturing cost	6,595,514
Add: Work-in-process and semi-finished goods, beginning of year	614,866
Work-in-process and semi-finished goods purchased	62,881
Others	1,963
Less: Work-in-process and semi-finished goods, end of year	386,413
Others	<u>121,035</u>
Manufacturing cost	6,767,776
Add: Finished goods, beginning of year	1,624,250
Finished goods purchased	5,246,355
Others	1,718
Less: Finished goods, end of year	689,073
Others	<u>5,870</u>
Finished goods costs of sales	<u>12,945,156</u>
Subtotal	12,993,671
Loss from physical count	(2,268)
Revenue from sale of scraps	(478,213)
Cost of others	<u>(258,951)</u>
The cost of inventories	12,254,239
Gain on disposals of property, plant and equipment	(23,131)
Rental Cost	<u>7,879</u>
	<u>\$ 12,238,987</u>

STATEMENT 13**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	\$ 26,193	\$ 119,650	\$ 237,370	\$ 383,213
Depreciation	3,480	30,586	11,783	45,849
Export expense	131,760	-	-	131,760
Donation	-	32,221	-	32,221
Professional service fee	-	33,602	964	34,566
Test fee	-	-	150,271	150,271
Others	<u>40,617</u>	<u>104,969</u>	<u>71,164</u>	<u>216,750</u>
Total	<u>\$ 202,050</u>	<u>\$ 321,028</u>	<u>\$ 471,552</u>	<u>\$ 994,630</u>

STATEMENT 14**CATCHER TECHNOLOGY CO., LTD.**
**STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(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	\$ 2,407,420	\$ 383,213	\$ 2,790,633	\$ 2,632,173	\$ 386,752	\$ 3,018,925
Labor and health insurance	243,654	32,293	275,947	232,159	30,551	262,710
Post-employment benefits	84,469	15,551	100,020	84,379	14,662	99,041
Remuneration of directors	-	17,618	17,618	-	16,501	16,501
Others	161,714	18,440	180,154	171,670	31,677	203,347
	<u>\$ 2,897,257</u>	<u>\$ 467,115</u>	<u>\$ 3,364,372</u>	<u>\$ 3,120,381</u>	<u>\$ 480,143</u>	<u>\$ 3,600,524</u>
Depreciation	\$ 858,195	\$ 45,849	\$ 904,044	\$ 947,926	\$ 60,318	\$ 1,008,244
Amortization	17,263	14,730	31,993	36,056	14,041	50,097

Note1: For the years ended December 31, 2021 and 2020, there were 4,791 and 5,074 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, 2021 and 2020 were NT\$ 699 thousand and NT\$707 thousand, respectively.

Note 3: Average salary and bonuses for the years ended December 31, 2021 and 2020 were NT\$ 583 thousand and NT\$595 thousand, respectively. The average salary and bonuses decreased by 2.02% 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.