



Catcher Technology Co., LTD.

# Handbook for the 2021 Annual Meeting of Shareholders

(TRANSLATION)

Meeting Date: May 31, 2021

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

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## **Catcher Technology Co., Ltd.**

### **Procedures of the Annual General Shareholders Meeting of 2021**

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Items for Ratification
5. Items for Discussion
6. Other Business and Special Motion
7. Meeting Adjourned

## **Catcher Technology Co., Ltd.**

### **Agenda of the Annual General Shareholders Meeting of 2021**

1. Time: 10:00 am, Monday, May 31, 2021
2. Address: Silks Place Tainan (No. 1, Heyi Rd., West Central Dist., Tainan City, Taiwan ROC)
3. Perform Acts of Ceremony
4. Chairman's Address
5. Report Items
  - (1) To report 2020 business report
  - (2) To report 2020 Audit Committee's review report
  - (3) To report 2020's distribution of employees and directors' compensation
  - (4) To report distribution of 2020 profits
6. Items for Ratification
  - (1) To accept 2020 Business Report and Financial Statements
  - (2) To approve the proposal for distribution of 2020 profits
7. Items for Discussion
  - (1) To raise funds through issuing new shares or GDR
8. Other Business and Special Motion
9. Meeting Adjourned

**Report Items**

Item 1: To report 2020 business report

Description: Please refer to Attachment I

Item 2: To report 2020 Audit Committee's review report

Description: Please refer to Attachment II

Item 3: 2020's distribution of employees and directors' compensation

Description: Please refer to Attachment III

Item 4: To report distribution of 2020 profits

Description:

- (1) The proposed profits distribution is allocated from Retained Earnings in 2020 Available for Distribution. Please accept the proposal for profits distribution as below, which was approved by Board of Directors in accordance with Articles of Incorporation.
- (2) The total proposed cash dividend amounts are NTD 9,139,416,828 equivalent to NTD 12 per share (Cash payment shall be rounded down to the nearest Dollar) by the Board of Directors on April 20th, 2021. Please refer to Attachment IV for the 2020 profits distribution table.
- (3) The Chairman is authorized by the Board of Directors to determine the record date and payment date and other relative matters. In the event that proposed earnings distribution is affected by a change in the number of outstanding shares, the Chairman is authorized to adjust the distribution amount per share based on the actual number of the outstanding shares on the record date.

### **Items for Ratification**

Item 1: To accept 2020 Business Report and Financial Statements (Proposed by the board of directors)

Description:

- (1) CATCHER's 2020 Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements were approved by board of directors. The Financial Statements were audited by independent auditors, Ms. Chi Chen Lee and Ms. Lee Yuan Kuo, of Deloitte & Touche and also reviewed by Audit Committee. For the 2020 Business Report, independent auditors' report, aforementioned Financial Statements, please refer to page 12-19, Attachments I, page 24-46, Attachment V.
- (2) Please accept the 2020 Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements.

Resolution:

Item 2: To approve the proposal for distribution of 2020 profits (Proposed by the board of directors)

Description:

The Company's 2020 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee. Please accept the proposal for profits distribution. Please refer to page 23, Attachment IV for the 2020 profits distribution table.

Resolution:

## **Items for Discussion**

Item 1: To raise funds through issuing new shares or GDR (Proposed by the board of directors)

Description:

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

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

(i) The issuance of new shares is limit to a maximum of 50,000,000 shares. The Board of Directors and Chairman of CATCHER are authorized to adjust the new issuance of the common shares based on the aforementioned maximum quota.

(ii) The issue price of the new common shares will be decided with reference to the closing price of the Company's common shares on the pricing date or the average of the closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date (referred to hereinafter as the "reference price"). The actual price shall not be less than 90% of the reference price. The Chairman is authorized to determine the actual issue price in accordance with market conditions or regulation requirements. The reference price and the actual price will be decided in accordance with market practice and applicable law. In addition, assuming that the Company issues 50,000,000 common shares which are approximately 6.6% of the Company's total outstanding common shares prior to the record date for the Company's 2018 annual shareholders meeting. Given that the issuance of new shares is going to enhance company's competitiveness and then increase shareholders' value, thus it is unlikely that such issuance will have a material dilutive effect on the holding of the current existing shareholders.

(iii) Except for 10% -15% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depositary shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, depending on the market needs, to be allocated as underlying shares of the global depositary shares or to be subscribed by the designated person(s).

(iv) The uses of the proceeds of this issuance are for building facilities or purchasing factories, equipment, materials, or to repay bank loans, re-invest, enrich working capital, which are expect to complete in 3 years.

(v) The Board/Chairman are authorized to determine or adjust the major terms of this new issuance, including but not limit to the issue price, issuance shares /amount, terms, uses/sources of fund, schedule, and results etc., according to the market condition or regulatory requirement.

(vi) To complete the issuance, the board, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements



and documents in connection with the issuance of the new common shares to sponsor the GDR Offering.

(vii) After the approval of this offering by authorities, the Chairman is authorized to handle or complete all the process or matters with regard to the issuance of new shares.

(viii) The Chairman is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

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

(i) The issuance of new shares for cash in public offering is limit to a maximum of 50,000,000 shares.

(ii) The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' Assistance in Offering and Issuance of Securities by Issuing Companies and the market conditions which issue price shall be reported to the regulatory authority before issuance.

(iii) It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s) :

(a) Conducted by way of book building:

Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

(b) Conducted by way of public subscription:

(1) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

The Chairman is authorized to choose the method of issuance in public offering, and to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

(2) It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' Assistance in Offering and Issuance of Securities by Issuing Companies and the market conditions which issue price shall be reported to the regulatory authority before issuance.

(c) The above public offering methods are proposed to be authorized to the Chairman of the board to handle related matters in accordance with the applicable laws and regulations.

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

Resolution:

**Other Business and Special Motion**

**Meeting Adjourned**

## **Annex 1**

### **Catcher Technology Co., Ltd. 2020 Business Report**

Dear Shareholders,

In 2020, the COVID-19 epidemic, international trade tensions, and geopolitical instability have caused many impacts on the global economy. Major governments and economies have faced varying degrees of challenges, and all governments around the world have boosted the economy through fiscal stimulus and quantitative easing. In the end of 2020, as several COVID-19 vaccines have been successively launched and people around the world began to receive vaccination shots, the end of the epidemic began to dawn.

In the past year, the epidemic has affected global economic behavior and order, making the market more uncertain, volatile and seasonal than ever. Therefore, Catcher has been more flexible in operation. The company has oriented towards a more diversified combination of product manufacturing and technology development. In terms of materials, Catcher continues to develop diversified solutions. In business, the company has actively explored new market areas and customers. In terms of performance, Catcher has strived to reduce the impact of the epidemic and to maintain stable operations. In 2020, the group's revenue has reached NT\$82.5 billion, which is lower than the NT\$91.6 billion in 2019, and has controlled within a double-digit percentage annual decrease.

Considering the evolution of the market, industry trends, as well as the company's future financial plan and long-term business development, Catcher has determined to reorganize resources and strategically transformed. Thus, the company decided to sell the equity of two subsidiaries, Topo Technology (Taizhou) and Meeca Technology (Taizhou). Taking the first step for the transformation, the transaction has been completed by the end of 2020. In the future, the company will use its huge production capacity and resources, prioritize the use and investment in promising technologies and markets, and provide momentum for the company's long-term development and sustainable operation.

Catcher is the world's leading brand for the most comprehensive mechanical component solutions, with the industry's most complete manufacturing matrix capabilities, solid customer bases, and fairly comprehensive product lines. In 2020, due to the trend of working and studying at home, the demand for laptops and tablet has increased greatly. In addition, the company has successfully become the supplier of the world's top electric vehicle company and officially entered the new energy vehicle industry. At the same time, Catcher has successfully become one of the major manufacturers in the medical industry after developing smart medical care for many years. In the future, Catcher will invest more resources in the biotechnology and medical industry on this basis.

In the long term, Catcher is optimistic about the growth of mechanical parts, 5G, electric vehicle, automotive components and medical industries. The company will continue to use multiple advantages including diversified materials, all-round manufacturing methods, innovative designs, excellent processing technologies, complete vertical integration, leading automation capabilities, the best cost structure, and huge economic scale to not only consolidate existing products, but also expand the application areas. Looking into 2021, Catcher will not only make full use of the company's core competencies in materials science, precision manufacturing, and surface treatment, but also use the Group's accumulated resources over the years to create internal organic growth and to look for domestic and overseas investment and M&A opportunities in line with the company's long-term development to diversify overall arrangement as the medium and long-term growth momentum, using these entities as the company's development supports after transformation.

### **Industry Development and Outlook**

While welcoming the advent of the 5G era, mobile devices will still be the main vehicle. In this competitive smart device industry, innovation, quality, and value are still the focuses of brand customers. In smartphone, notebook, and tablet PC, companies with mid-high end products still enjoy higher earnings than peers. With this trend, we see rising adoption rate of high-end metal and composite material. Clients continue to enhance level of complexity, to develop new surface treatment technologies, and to enhance environmental requirements for material recycling and manufacturing processes, which contribute to the high customization, high complexity, high degree of difficulties of casing production. However, Catcher makes the full use of various materials, different manufacturing skills, best execution and mass production capabilities to continuously deliver products and results that satisfy our customers.

Due to the key advantages including environmental protection policies in many countries, government subsidies, active development by car manufacturers and improving production cost and vehicle endurance, the global sales of new energy vehicles have grown rapidly. In fact, the compound growth rate in the past 10 years has exceeded 30%. In the past, the ecology of the automobile industry was relatively closed. With the increasing complexity of new energy vehicles and automotive electronic innovation and technology, the demand for the division of labor cooperation through outsourcing R&D and parts manufacturing has increased. Under this trend, Catcher is able to utilize the accumulated research and manufacturing capability in consumer electronics industry. The company has the advantages of design capability, mass production, yield rate, cost, etc., and has the ability to meet the design and technical requirements of new energy vehicle customers.

Although there are numerous number of material and process on the market, only metal can provide this best-in-class quality, structure, intensity, and complete protection for the casing. In the high-end structure component, metal structure components possess the most complete supply chain, and best cost structure for mass production. Catcher has diversified manufacturing skills such as aluminum extrusion, die casting, stamping, forging, and insert molding. Among those skills, aluminum extrusion used in unibody process can provide high quality, lightness, thinness,

and firmness, which cannot be replaced by other material or process and is still the most popular technique used in high end products. Besides, metal is a green material, which can be fully recycled for the best benefit of the globe. The large capacity requirement, along with the features mentioned above, we see a more predictable trend for material, process, and design in casing sector. For the mid-high end products, metal is still the best solution. Either aluminum, or stainless steel; the whole casing or frame design, belongs to the definition of “unibody”, and is the main product and competitive advantage of Catcher.

### Financial performance

The consolidated revenue of the Catcher Group in 2020 was NT\$82.5 billion. The consolidated gross profit margin of the group was 27%. The consolidated net profit after tax was NT\$21.13 billion, and the basic earnings per share was NT\$27.65.

#### Operation Results (Group)

Unit: in thousand NTD

Item	2020		2019	
	Amount	%	Amount	%
Sales revenues	82,506,032	100%	91,628,115	100%
Gross Profit	21,919,251	27%	22,266,895	24%
Operating income	14,935,168	18%	14,109,148	15%
Income before tax	40,847,189	50%	19,983,261	22%
Net income	21,129,820	26%	11,272,124	12%

#### Profitability (Group)

Item		2020	2019
Return on assets		9%	5%
Return on equity		14%	8%
Percentage of capital	Operating income	196%	183%
	Income before tax	536%	259%
Net income to sales		26%	12%
EPS (NTD)		\$27.65	\$14.63

### Research and Development

In order to ensure the company's leading position in the industry, we continue to expand the use of different materials, composite materials, high strength, high toughness, low electromagnetic shielding, and high radio frequency penetration. Upgrading advanced technology towards smart manufacturing has been an important task for Catcher for many years. Though Catcher's deep cultivation of basic materials science and surface physics and chemical processing technology, the company is able to form high-precision, high-value-added and high-volume technical capabilities and products, by using different materials and different manufacturing processes, matching diversified secondary processing and surface treatment methods to develop in multi-level and multi-directional extension.

The current research and development directions include special magnesium alloy, aluminum alloy, stainless steel, carbon (glass) fiber, plastic, powder, other metals and other chassis and components, laser engraving/seamless welding technology, metal/plastic integrated injection molding coverage technology, etching/multi-color process with anodizing process technology, high-precision large metal case extrusion technology, carbon fiber composite sheet, etc. In addition, the company is also actively expanding other niche products that can apply existing production technology to diversified layout.

When mobile devices move toward higher frequency, high speed, and high-level computing design, 5G and heat dissipation are both important issues. It will also be a challenge and opportunity for Catcher and other mechanical components factory. Catcher will also invest more resources in R&D in those areas.

### **Business strategies**

Catcher has invested heavily in automated production processes for many years. In recent years, it has made significant contributions to manufacturing management and Catcher has become a leader in automation in the industry. In the future, the development of automation will continue to be the focus, to reduce the demand for manpower, improve production stability, improve productivity and quality, and provide energy for further expansion. In addition, Catcher actively optimizes human resources, reserves development momentum, continues to expand the application market of core products and technologies, expands the source of customers, and increases product categories, providing foundations for future growth.

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

### **Important sales policies**

Looking ahead to the metal mechanical parts market, mobile devices such as traditional notebook computers and tablet computers are increasingly prosperous, representing a clear trend of lightweight and thin handheld devices. Due to the epidemic in 2020, the ratio of home office/education has increased, and the demand for notebook computers and tablets has also greatly increased. In addition, wearable devices and other new application areas are also the direction of the company's development. Looking at the design trends of the above-mentioned various types of consumer electronic products. Metal will still be the best choice for mechanical parts of mobile devices. Catcher has developed composite materials for many years and is currently the manufacturer that can provide the most diverse materials and manufacturing methods. In the future, Catcher will also make good use of such advantages to approach into different markets and create different values for various brand customers.

The trend of the automobile industry towards new energy vehicles is obvious, and the electronic and intelligent evolution of gasoline car has expanded. After successfully introduced into the world's top new energy vehicle industry, Catcher will continue to increase its vehicle models and customer base to expand the vehicle business in the future. The company's main customers are becoming more and more visible in the selection and cooperation of materials and suppliers. Catcher will also fully grasp this trend and continue to steadily increase product diversity and high value to meet customer needs. And the company is moving towards a unified management model of production and sales to provide customers with the fastest and most complete production and sales support. The business, manufacturing and R&D units will be set up closer to customers, in order to synchronize development with customers and achieve zero time difference customer service.

In 2021, Catcher will optimize production capacity allocation in the two major regions: Taiwan factory and Suqian factory. Catcher is currently the only manufacturer of major mechanical component suppliers that still maintains considerable production capacity in Taiwan. That allows Catcher to have greater flexibility to meet the needs of different customers for products/capacity, and reduces the possible risks and impacts of single plant/production capacity due to changes in the market and operating environment.

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

In terms of external competition, the IT electronics industry will be increasingly compressed as technology progresses in leaps and bounds and new products are being constantly launched. Moreover, since many new competitors have actively invested, it has indeed increased potential operating pressure. In 2020, Catcher officially entered the non-consumer electronics industry, bringing new opportunities to Catcher, with the goal of diversifying product lines and customer bases. Meanwhile, in order to ensure our leading position, the company pays close attention to the markets and technological development and changes by collecting and analyzing the information on different materials and manufacturing process. The objective is to reduce the impact of changes in technology while continuing to enhance advanced technologies. In addition to investing in basic material science, the company also reinforces development in different material molding as well as processing and surface treatments, enhances core R&D techniques, and diversifies its products and lift them onto higher levels to secure and stabilize profits. Excellent production techniques and huge capacity will be utilized to provide premium customer services in order to strengthen long term relationships.

With respect to the legislative environment in Taiwan and overseas, countries around the world have been launching environmental protection laws regarding electronic products. In addition, the tier-1 brand customers set the high requirement on its suppliers' code and demand all of the vendors to comply strictly. The company has always been committed to environmentally friendly production processes and will undoubtedly meet the legislative requirements and keep up with the global trend. The company will continue to monitor, update, and comply with any new legislative implementation in order to decrease management risk.



As the macro environment becomes more complex, it becomes more difficult to anticipate the changes and volatilities. The company will take into account the industry conditions and macroeconomics, and carefully evaluate and select the best strategies.

### **Business outlook and targets**

Catcher will focus on laptop, tablet, wearable devices, 5G, electric vehicles, automotive components, and medical products.

Regarding notebook(NB), due to the increased demand for remote office and education during the epidemic, Morgan Stanley pointed out that global NB shipment was 220 million units in 2020, which is increased by 29% compared with 170.7 million units in 2019. As the impact of the epidemic continues, work from home and home education become the new normal. Therefore, even in the high base period of 2020, Morgan Stanley estimates that the NB market will continue to grow to 267.9million units in 2021. The notebook market continues to have a phenomenon where demand gradually concentrates on the top brands. Besides, brand customers have gradually increased their specifications, resulting in a continuous increase in the penetration rate of high-end metal cases or Hybrid designs. Since the second half of 2020, the shortage of chips has caused brand factories to give priority to high-end products with limited components. Therefore, high-end notebooks are expected to continue to grow, and Catcher also expects that NB products will continue to grow in 2021.

Morgan Stanley indicates the shipment of Tablet PC in 2020 was around 164 million units, compared with 145 million in 2019, up by 13.2%. They forecast that tablet will continue increase to 168/175 million units in 2021/2022. Even though big screen smartphones replace some demand of small tablets, tablets still create market segmentation due to launch of big tablet, trend of 2-in-1 and needs for education. After development in the past few years, the concentration of tablet market is getting higher. Consider to the strength of portable mobile device, metal casing is definitely one of the most significant specs and important driver for Catcher's 2021 revenue sales.

In the automotive industry, global auto sales fell to 71.029 million units due to the impact of the epidemic in 2020, a decrease of 22.2% from 2019. In terms of new energy vehicles, according to the International Energy Agency (IEA), global electric vehicle sales in 2020 are estimated to be 2.3 million units, an annual increase of 9.5% compared to the sales of 2.1 million units in 2019, showing the strength of growth against the trend. Although the epidemic and the shortage of chips will have an impact on the overall auto market in the short term, with the support of government policies, the growth of new energy vehicles is expected in the medium and long term. Catcher has used its accumulated years of material and technical knowledge in mechanical components, and has entered the new energy vehicle market in 2020. In the future, the automotive business will not only become an important new long-term growth driver, but also reduce the company's consumer electronics product concentration and volatility.

Looking forward to 2021, precision manufacturing and medical industries will become the company's new development direction. Catcher Group will continue to exert its "complete process matrix capabilities", focus on the maximum utilization of existing production capacity, and introduce new products and new customers to drive the company's short, medium and long-term growth. The company will also actively develop special processes, technologies, and materials, and strengthen the company's existing process technology to make the company a global manufacturer of casing and internal components. Regardless of quality, yield, cost, mass production capacity, customization, and innovative design, Catcher is the main supplier that meets or exceeds the requirements of first-line customers. In terms of sales forecasts, due to the large differences in product types, specs and sizes, the variety of materials used, and the differences in processing methods, the expected sales volume of mechanical components is not comparable. In addition, after the completion of the Taizhou factories divestment, the sales revenue of year 2021 will be significantly affected. Catcher will actively reduce the impact of the Taizhou factories divestment through organic growth and investment and mergers and acquisitions, and diversify the business portfolio. It is expected to return to the growth track in the medium-to-long term.

The company expects that mobile device products such as notebook computers, tablets, and wearable devices will benefit from the development of 5G. The development of 5G's speed and high-level computing will increase the heat dissipation requirements of mobile devices and the complexity of casing/mechanical component design. Catcher will further enhance its core technology and manufacturing capabilities in 5G field to provide leading solutions. In addition to 5G applications, notebook and tablet products have lower seasonality/volatility, relatively stable demand, and high visibility/predictability, which also help to enhance the company's operational stability. 5G will be the main driving force for the next growth in technology industry. Catcher will actively seek to expand 5G-related application products based on its existing solid customer base. Therefore, in addition to internal organic growth, investment and M&A will also be used to strengthen the company's business scale in core products such as laptops, tablets, and wearable devices, and provide more complete solutions to customers.

Automobile is one of the largest industries in the world, and there is a huge demand for mechanical parts, interior and exterior trim parts that combine various materials, and they are all markets where Catcher can make full use of its existing production capacity. Automotive components can not only apply Catcher's core capabilities of material science, precision manufacturing, and surface treatment, but also have the advantages of accumulation, long cycle, and low volatility. Looking ahead, in addition to internal organic growth, the company will actively seek domestic and foreign investment and M&A opportunities to expand the scale of its automotive business.

In the medical industry, Catcher has invested in the industry for more than ten years and has accumulated considerable technology and capabilities. It has also successfully introduced more than 30% of medical center customers in Taiwan. In the future, the company will apply more

active investment strategies to enter the medical field of high-end medical materials and consumables on a larger scale.

In addition to actively achieving business goals, Catcher also fulfills its social responsibilities. The company's gradual implementation and results of corporate social responsibility include the establishment of a dedicated corporate social responsibility team, the publication of corporate social responsibility reports, the investment of green energy, the promotion of greenhouse gas inventories, the setting of energy-saving and carbon-reduction goals, participation in public welfare activities, and awarding of sports companies Certification, and strengthening communication channels with stakeholders. Also, Catcher was selected as a constituent stock of the "Taiwan Sustainability Index".

As the "leading brand of the most comprehensive mechanical component solutions", Catcher Group will continue to uphold "technical innovation, customer service, honesty, pragmatism, and sustainability" and to make efforts to innovate products, optimize business models, strengthen production technology, increase automation, and improve cost structure, even if the company begins to transform and diversify its layout in new products and new fields. Regardless of the industry, the company will maintain the strategy of making good use of resources, actively developing, focusing on the world, and operating sustainably. Moreover, regardless of how the business environment changes in the future, Catcher will still be full of ambition, confidence and determination, and uphold our consistent goals and expectations to create maximum value for customers, shareholders, and employees.

Chairman Shui-Shu Hung



## **Annex 2**

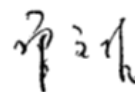
### **CATCHER Technology**

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

The Board of Directors has prepared the Company's 2020 business report and Financial Statement. Financial Statements were audited by Deloitte & Touche and they issued an audit report accordingly. The business report and Financial Statement have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To Catcher Technology Co., Ltd. 2021 Annual General Shareholders' Meeting

Chairman of the Audit Committee



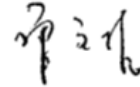
March 10, 2021

**CATCHER Technology**  
**Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2020 proposal for earnings distribution. The earnings distribution proposal has been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To Catcher Technology Co., Ltd. 2021 Annual General Shareholders' Meeting

Chairman of the Audit Committee



April 20, 2021

### Annex 3

## CATCHER Technology

### Distribution of Compensation for Employees and Directors

On March 10, 2021 the Board of Directors resolved the distribution for compensation to Directors and Employees in cash:

Unit: NTD

Item	Proposed amount
Directors' Compensation	\$ 15,522,831
Employees' Compensation	\$ 1,164,882,808

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

## Annex 4

### CATCHER Technology Profits Distribution for 2020

	Unit: NTD
Retained Earnings at the beginning of this period	\$ 93,372,698,777
Profits for current year	21,129,819,994
Cancellation of treasury shares debit to retained earnings	(1,478,192,841)
Retained Earnings after adjustment	19,651,627,153
Minus: Legal Reserve	(1,965,162,715)
Minus: Special Reserve	<u>(2,205,804,658)</u>
Retained Earnings Available for Distribution	\$ 108,853,358,557
Distribution items:	
Dividends- Cash (NTD 12 per share)	<u>(9,139,416,828)</u>
Retained Earnings at the end of this period	<u><u>\$ 99,713,941,729</u></u>

- (1) The dividends distributed come from 2020 profits
- (2) On October 27 2020, the board resolved not to distribute earnings for the first half of the year and maintain dividend distribution on annual basis.
- (3) The cash dividend will be rounded till dollar. All cash dividend less than one dollar will be transferred into other revenues of the company.

## **Annex 5**

### **Independent Auditor's Report and 2020 Financial Statements**

#### **INDEPENDENT AUDITORS' REPORT**

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of Catcher Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, 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 audit of the consolidated financial statements for the year ended December 31, 2020 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. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, 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.

### **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, 2020. 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, 2020 is as follows:

As stated in Notes 4(f), 5(a) and 11 to the accompanying consolidated financial statements, as of December 31, 2020, the Group's net inventory amounted to NT\$6,003,807 thousand (net of obsolescence loss of NT\$3,788,830 thousand). Such inventory loss represents approximately 39% of the total inventory. The Group operates in a fast-changing industry whereby developments in product technology and market demand may result in slow-moving or obsolete inventory. Because the evaluation of inventory impairment and obsolescence loss involves management's material estimations, we deemed such valuation to be a key audit matter.

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

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

### **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, 2020 and 2019 on which we have issued an unqualified opinion.

### **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, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 10, 2021

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, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 111,882,981	44	\$ 69,017,246	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	349,801	-	324,380	-
Financial assets at amortized cost - current (Notes 4 and 9)	65,333,889	26	82,549,645	34
Note Receivable (Notes 4 and 10)	21	-	-	-
Trade receivables (Notes 4, 10 and 24)	17,317,501	7	23,603,964	10
Other receivables (Note 4 and 10)	306,029	-	656,973	-
Current tax assets (Notes 4 and 26)	90,318	-	23,503	-
Inventories (Notes 4, 5 and 11)	6,003,807	2	14,163,693	6
Other current assets (Note 18)	593,003	-	1,505,128	1
Total current assets	201,877,350	79	191,844,532	79
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	652,880	-	543,130	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	24,585,406	10	994	-
Investments accounted for using the equity method (Notes 4 and 13)	11,583	-	12,295	-
Property, plant and equipment (Notes 4 and 14)	22,567,706	9	41,296,514	17
Right-of-use assets (Notes 4 and 15)	1,245,224	-	1,986,704	1
Investment properties (Notes 4 and 16)	500,299	-	535,848	-
Intangible assets (Notes 4 and 17)	38,004	-	101,455	-
Deferred tax assets (Notes 4 and 26)	4,346,647	2	6,433,654	3
Other non-current assets (Note 18)	78,096	-	359,147	-
Total non-current assets	54,025,845	21	51,269,741	21
<b>TOTAL</b>	<b>\$ 255,903,195</b>	<b>100</b>	<b>\$ 243,114,273</b>	<b>100</b>

## LIABILITIES AND EQUITY

<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 19)	\$ 70,465,726	27	\$ 70,352,230	29
Contract liabilities - current (Notes 4 and 24)	12,545	-	25,614	-
Notes payable (Note 20)	-	-	23,824	-
Trade payables (Note 20)	7,691,968	3	11,200,215	5
Other payables (Note 21)	6,924,658	3	8,814,643	4
Current tax liabilities (Notes 4 and 26)	3,997,201	2	1,446,742	-
Lease liabilities - current (Notes 4 and 15)	17,584	-	29,596	-
Other current liabilities (Note 21)	<u>2,352,993</u>	<u>1</u>	<u>1,378,140</u>	<u>-</u>
Total current liabilities	<u>91,462,675</u>	<u>36</u>	<u>93,271,004</u>	<u>38</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4, 5 and 26)	6,197,748	2	1,097,275	1
Lease liabilities - non-current (Notes 4 and 15)	142,925	-	131,173	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	6,558	-	6,558	-
Other non-current liabilities (Note 21)	<u>21,687</u>	<u>-</u>	<u>19,756</u>	<u>-</u>
Total non-current liabilities	<u>6,368,918</u>	<u>2</u>	<u>1,254,762</u>	<u>1</u>
Total liabilities	<u>97,831,593</u>	<u>38</u>	<u>94,525,766</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>				
Share capital - ordinary shares	<u>7,616,181</u>	<u>3</u>	<u>7,703,911</u>	<u>3</u>
Capital surplus	<u>20,008,231</u>	<u>8</u>	<u>20,237,791</u>	<u>8</u>
Retained earnings				
Legal reserve	19,532,131	8	18,404,919	8
Special reserve	12,188,506	5	7,410,317	3
Unappropriated earnings	<u>113,024,326</u>	<u>44</u>	<u>106,894,281</u>	<u>44</u>
Total retained earnings	<u>144,744,963</u>	<u>57</u>	<u>132,709,517</u>	<u>55</u>
Other equity	<u>(14,394,310)</u>	<u>(6)</u>	<u>(12,188,506)</u>	<u>(5)</u>
Total equity attributable to owners of the Company	157,975,065	62	148,462,713	61
NON-CONTROLLING INTERESTS	<u>96,537</u>	<u>-</u>	<u>125,794</u>	<u>-</u>
Total equity	<u>158,071,602</u>	<u>62</u>	<u>148,588,507</u>	<u>61</u>
TOTAL	<u>\$ 255,903,195</u>	<u>100</u>	<u>\$ 243,114,273</u>	<u>100</u>

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 15 and 24)	\$ 82,506,032	100	\$ 91,628,115	100
OPERATING COSTS (Notes 11, 22 and 25)	<u>60,586,781</u>	<u>73</u>	<u>69,361,220</u>	<u>76</u>
GROSS PROFIT	<u>21,919,251</u>	<u>27</u>	<u>22,266,895</u>	<u>24</u>
OPERATING EXPENSES (Notes 22 and 25)				
Selling and marketing expenses	652,469	1	663,740	1
General and administrative expenses	4,746,964	6	5,074,656	5
Research and development expenses	<u>1,584,650</u>	<u>2</u>	<u>2,419,351</u>	<u>3</u>
Total operating expenses	<u>6,984,083</u>	<u>9</u>	<u>8,157,747</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>14,935,168</u>	<u>18</u>	<u>14,109,148</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 28)				
Interest income	2,001,921	3	4,152,640	5
Other income	3,865,654	5	3,366,833	4
Foreign exchange gains (losses), net	(5,625,516)	(7)	(763,882)	(1)
Other gains	26,246,911	32	88,016	-
Interest expenses	(576,237)	(1)	(959,764)	(1)
Share of profit (loss) of associates	<u>(712)</u>	<u>-</u>	<u>(9,730)</u>	<u>-</u>
Total non-operating income and expenses	<u>25,912,021</u>	<u>32</u>	<u>5,874,113</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	40,847,189	50	19,983,261	22
INCOME TAX EXPENSE (Notes 4 and 26)	<u>19,681,121</u>	<u>24</u>	<u>8,685,441</u>	<u>10</u>
NET PROFIT	<u>21,166,068</u>	<u>26</u>	<u>11,297,820</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)				
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	(27,978)	-	(31,338)	-

(Continued)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (2,176,688)	(3)	\$ (4,751,756)	(5)
Other comprehensive loss for the year, net of income tax	(2,204,666)	(3)	(4,783,094)	(5)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 18,961,402</u>	<u>23</u>	<u>\$ 6,514,726</u>	<u>7</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 21,129,820	26	\$ 11,272,124	12
Non-controlling interests	<u>36,248</u>	<u>-</u>	<u>25,696</u>	<u>-</u>
	<u>\$ 21,166,068</u>	<u>26</u>	<u>\$ 11,297,820</u>	<u>12</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 18,924,016	23	\$ 6,493,934	7
Non-controlling interests	<u>37,386</u>	<u>-</u>	<u>20,792</u>	<u>-</u>
	<u>\$ 18,961,402</u>	<u>23</u>	<u>\$ 6,514,726</u>	<u>7</u>
<b>EARNINGS PER SHARE (Note 27)</b>				
Basic	\$ 27.65		\$ 14.63	
Diluted	<u>\$ 27.42</u>		<u>\$ 14.53</u>	

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

(Concluded)



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 7,703,911	\$ 20,238,740	\$ 15,607,700	\$ 6,207,055	\$ 108,872,223	\$ (7,401,796)	\$ (8,520)	\$ (7,410,316)	\$ -	\$ 151,219,313	\$ 105,002	\$ 151,324,315
Appropriation of the 2018 earnings (Note 23)												
Legal reserve	-	-	2,797,219	-	(2,797,219)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,203,262	(1,203,262)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,244,692)	-	-	-	-	(9,244,692)	-	(9,244,692)
Changes in capital surplus from donations from shareholders	-	473	-	-	-	-	-	-	-	473	-	473
Net profit for the year ended December 31, 2019	-	-	-	-	11,272,124	-	-	-	-	11,272,124	25,696	11,297,820
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(4,746,852)	(31,338)	(4,778,190)	-	(4,778,190)	(4,904)	(4,783,094)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,272,124	(4,746,852)	(31,338)	(4,778,190)	-	6,493,934	20,792	6,514,726
Subscription for additional new shares of the investee at a percentage different from its existing ownership percentage	-	(1,422)	-	-	(4,893)	-	-	-	-	(6,315)	-	(6,315)
BALANCE AT DECEMBER 31, 2019	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 23)												
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 income (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 23)	-	-	-	-	-	-	-	-	(1,796,390)	(1,796,390)	-	(1,796,390)
Cancellation of treasury shares (Note 23)	(87,730)	(230,467)	-	-	(1,478,193)	-	-	-	1,796,390	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(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

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 40,847,189	\$ 19,983,261
Adjustments for:		
Depreciation expenses	8,722,617	12,053,048
Amortization expenses	67,050	68,396
Net loss (gain) on financial instruments at fair value through profit or loss	(25,008)	17,484
Interest expenses	576,237	959,764
Interest income	(2,001,921)	(4,152,640)
Dividend income	(19,443)	(26,040)
Share of (profit) loss of associates	712	9,730
Gain on disposal of property, plant and equipment	(147,930)	(22,509)
Loss on disposal of investment properties	768	-
Loss on disposal of subsidiaries	(25,951,192)	-
Write-down of inventories	4,471,489	196,722
Unrealized loss on foreign currency exchange	483,076	548,698
Changes in operating assets and liabilities		
Notes receivable	(21)	33
Trade receivables	4,463,252	1,028,491
Other receivables	(3,814,660)	(63,445)
Inventories	(4,223,626)	10,430,264
Other current assets	257,456	1,297,725
Contract liabilities	(8,585)	(9,562)
Notes payable	(23,824)	(5,447)
Trade payables	1,258,600	(2,542,352)
Other payables	3,499,550	(834,482)
Other current liabilities	1,006,141	(836,224)
Net defined benefit liabilities	-	6
Other non-current liabilities	(10)	(1,777,304)
Cash generated from operations	29,437,917	36,323,617
Dividends received	19,443	26,040
Income tax paid	(9,153,241)	(10,547,545)
Net cash generated from operating activities	<u>20,304,119</u>	<u>25,802,112</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(160,881)	(296,894)
Purchase of financial assets at amortized cost	(377,084,044)	(410,985,912)
Proceeds from disposals of financial assets at amortized cost	366,881,978	439,668,711
Purchase of financial assets at fair value through profit or loss	(413)	-
Acquisitions of associates	-	(28,340)
Net cash inflow on disposal of subsidiaries (Note 28)	40,293,028	-
Payments for property, plant and equipment	(1,451,599)	(4,030,137)
Proceeds from disposal of property, plant and equipment	152,722	41,870

(Continued)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in refundable deposits	\$ (17,953)	\$ (747)
Decrease in refundable deposits	7,363	14,714
Acquisitions of intangible assets	(19,834)	(41,828)
Acquisitions of investment properties	(4,907)	(930)
Proceeds from disposal of investment properties	178	-
Interest received	<u>2,362,960</u>	<u>4,310,300</u>
Net cash generated from investing activities	<u>30,958,598</u>	<u>28,650,807</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	311,787,729	305,849,194
Repayments of short-term borrowings	(307,769,676)	(308,953,649)
Proceeds from guarantee deposits received	10,448	10,408
Refunds of guarantee deposits received	(10,338)	(104,778)
Repayment of the principal portion of lease liabilities	(56,250)	(12,413)
Cash dividends paid	(7,616,181)	(9,244,692)
Payments for buy-back of ordinary shares	(1,796,390)	-
Interest paid	(602,769)	(921,228)
Decrease in non-controlling interests	<u>(66,643)</u>	<u>-</u>
Net cash used in financing activities	<u>(6,120,070)</u>	<u>(13,377,158)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>(2,276,912)</u>	<u>(1,363,015)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	42,865,735	39,712,746
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>69,017,246</u>	<u>29,304,500</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$111,882,981</u>	<u>\$ 69,017,246</u>

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

(Concluded)

# **Independent Auditor's Report and 2020 Financial Statements**

## **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, 2020 and 2019, 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, 2020 and 2019, 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 audit of the financial statements for the year ended December 31, 2020 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. We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, 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, 2020. 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, 2020 is as follows:

As stated in Notes 4(e), 5(a) and 11 to the accompanying financial statements, as of December 31, 2020, the Company's net inventory amounted to NT\$2,390,466 thousand (net of obsolescence loss of NT\$250,453 thousand). Such inventory loss represents approximately 9% of the total inventory. The Company operates in a fast-changing industry whereby developments in product technology and market demand may result in slow-moving or obsolete inventory. Because the evaluation of inventory impairment and obsolescence loss involves management's material estimations, we deemed such valuation to be a key audit matter.

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

- We determined the appropriateness of the Company's methodology for the evaluation of inventory impairment and obsolescence loss based on our understanding of the business and industry, coupled with our understanding of the nature and aging of the inventory.
- We obtained the valuation report of the net realizable value of the inventory and assessed the reasonableness of the inventory valuation by sample-selecting inventory items and comparing their carrying amounts to the latest sales prices.

### **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, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 10, 2021

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, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 27,670,632	11	\$ 13,553,816	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	348,932	-	324,380	-
Financial assets at amortized cost - current (Notes 4 and 9)	21,518,715	9	34,859,286	16
Notes receivable (Notes 4 and 10)	21	-	-	-
Trade receivables (Notes 4, 10 and 23)	6,552,310	3	14,025,019	6
Trade receivables from related parties (Notes 4 and 29)	3,564,122	2	128,452	-
Other receivables (Notes 4 and 10)	194,851	-	257,708	-
Other receivables from related parties (Notes 4 and 29)	65,392	-	6,493	-
Current tax assets (Notes 4 and 25)	88,129	-	23,503	-
Inventories (Notes 4, 5, 11 and 30)	2,390,466	1	6,074,275	3
Other current assets (Note 17)	218,955	-	86,146	-
Total current assets	62,612,525	26	69,339,078	31
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	84,180	-	89,295	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	24,584,552	10	994	-
Investments accounted for using the equity method (Notes 4 and 12)	146,582,454	61	148,258,024	66
Property, plant and equipment (Notes 4, 13, 29 and 30)	7,147,309	3	7,580,644	3
Right-of-use assets (Notes 4 and 14)	186,555	-	158,373	-
Investment properties (Notes 4 and 15)	226,996	-	229,144	-
Intangible assets (Notes 4 and 16)	10,862	-	46,272	-
Deferred tax assets (Notes 4 and 25)	1,009,798	-	666,510	-
Other non-current assets (Note 17)	72,123	-	40,516	-
Total non-current assets	179,904,829	74	157,069,772	69
TOTAL	\$ 242,517,354	100	\$ 226,408,850	100



## LIABILITIES AND EQUITY

### CURRENT LIABILITIES

Short-term borrowings (Note 18)	\$ 70,465,726	29	\$ 65,894,246	29
Contract liabilities - current (Notes 4 and 23)	6,396	-	20,930	-
Trade payables (Note 19)	432,195	-	853,984	-
Trade payables to related parties (Notes 19 and 29)	2,754,244	1	5,317,455	2
Other payables (Note 20)	4,417,085	2	4,457,293	2
Other payables to related parties (Note 29)	92,637	-	1,167,198	1
Lease liabilities - current (Notes 4 and 14)	7,928	-	26,681	-
Other current liabilities (Note 20)	<u>1,598,476</u>	<u>1</u>	<u>25,502</u>	<u>-</u>
Total current liabilities	<u>79,774,687</u>	<u>33</u>	<u>77,763,289</u>	<u>34</u>

### NON-CURRENT LIABILITIES

Deferred tax liabilities (Notes 4, 5 and 25)	4,616,427	2	39,149	-
Lease liabilities - non-current (Notes 4 and 14)	135,932	-	130,186	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,558	-	6,558	-
Other non-current liabilities (Note 20)	<u>8,685</u>	<u>-</u>	<u>6,955</u>	<u>-</u>
Total non-current liabilities	<u>4,767,602</u>	<u>2</u>	<u>182,848</u>	<u>-</u>
Total liabilities	<u>84,542,289</u>	<u>35</u>	<u>77,946,137</u>	<u>34</u>

### EQUITY (Note 22)

Share capital - ordinary shares	<u>7,616,181</u>	<u>3</u>	<u>7,703,911</u>	<u>3</u>
Capital surplus	<u>20,008,231</u>	<u>8</u>	<u>20,237,791</u>	<u>9</u>
Retained earnings				
Legal reserve	19,532,131	8	18,404,919	8
Special reserve	12,188,506	5	7,410,317	4
Unappropriated earnings	<u>113,024,326</u>	<u>47</u>	<u>106,894,281</u>	<u>47</u>
Total retained earnings	<u>144,744,963</u>	<u>60</u>	<u>132,709,517</u>	<u>59</u>
Other equity	<u>(14,394,310)</u>	<u>(6)</u>	<u>(12,188,506)</u>	<u>(5)</u>

Total equity	<u>157,975,065</u>	<u>65</u>	<u>148,462,713</u>	<u>66</u>
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TOTAL	<u>\$ 242,517,354</u>	<u>100</u>	<u>\$ 226,408,850</u>	<u>100</u>
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The accompanying notes are an integral part of the financial statements.

# CATCHER TECHNOLOGY CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$ 57,693,223	100	\$ 64,460,760	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>54,807,851</u>	<u>95</u>	<u>60,787,054</u>	<u>94</u>
GROSS PROFIT	<u>2,885,372</u>	<u>5</u>	<u>3,673,706</u>	<u>6</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	181,508	-	175,678	-
General and administrative expenses	394,028	1	335,950	1
Research and development expenses	<u>551,860</u>	<u>1</u>	<u>667,318</u>	<u>1</u>
Total operating expenses	<u>1,127,396</u>	<u>2</u>	<u>1,178,946</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>1,757,976</u>	<u>3</u>	<u>2,494,760</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	745,251	2	1,730,354	3
Other income	1,265,287	2	37,693	-
Foreign exchange gains (losses), net	(3,625,117)	(6)	(1,026,836)	(2)
Other gains and losses	24,356	-	(17,682)	-
Interest expenses	(462,773)	(1)	(419,037)	(1)
Share of profit of subsidiaries and associates	<u>28,273,363</u>	<u>49</u>	<u>9,795,856</u>	<u>15</u>
Total non-operating income and expenses	<u>26,220,367</u>	<u>46</u>	<u>10,100,348</u>	<u>15</u>
PROFIT BEFORE INCOME TAX	27,978,343	49	12,595,108	19
INCOME TAX EXPENSE (Notes 4 and 25)	<u>6,848,523</u>	<u>12</u>	<u>1,322,984</u>	<u>2</u>
NET PROFIT	<u>21,129,820</u>	<u>37</u>	<u>11,272,124</u>	<u>17</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	(5,115)	-	24,315	-

(Continued)

# CATCHER TECHNOLOGY CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method				
Shares of other equity of subsidiaries	\$ (22,863)	-	\$ (55,653)	-
	<u>(27,978)</u>	<u>-</u>	<u>(31,338)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(2,177,826)</u>	<u>(4)</u>	<u>(4,746,852)</u>	<u>(7)</u>
Other comprehensive loss for the year, net of income tax	<u>(2,205,804)</u>	<u>(4)</u>	<u>(4,778,190)</u>	<u>(7)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 18,924,016</u>	<u>33</u>	<u>\$ 6,493,934</u>	<u>10</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 27.65</u>		<u>\$ 14.63</u>	
Diluted	<u>\$ 27.42</u>		<u>\$ 14.53</u>	

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

(Concluded)

# CATCHER TECHNOLOGY CO., LTD.

## STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity		Total	Treasury shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2019	\$ 7,703,911	\$ 20,238,740	\$ 15,607,700	\$ 6,207,055	\$ 108,872,223	\$ (7,401,796)	\$ (8,520)	\$ (7,410,316)	\$ -	\$ 151,219,313
Appropriation of the 2018 earnings (Note 22)										
Legal reserve	-	-	2,797,219	-	(2,797,219)	-	-	-	-	-
Special reserve	-	-	-	1,203,262	(1,203,262)	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,244,692)	-	-	-	-	(9,244,692)
Changes in capital surplus from donations from shareholders	-	473	-	-	-	-	-	-	-	473
Net profit for the year ended December 31, 2019	-	-	-	-	11,272,124	-	-	-	-	11,272,124
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(4,746,852)	(31,338)	(4,778,190)	-	(4,778,190)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,272,124	(4,746,852)	(31,338)	(4,778,190)	-	6,493,934
Subscription for additional new shares of the investee at a percentage different from its existing ownership percentage	-	(1,422)	-	-	(4,893)	-	-	-	-	(6,315)
BALANCE AT DECEMBER 31, 2019	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

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

# CATCHER TECHNOLOGY CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 27,978,343	\$ 12,595,108
Adjustments for:		
Depreciation expenses	1,008,244	926,864
Amortization expenses	50,097	45,594
Loss (gain) on financial instruments at fair value through profit or loss	(24,552)	17,484
Interest expenses	462,773	419,037
Interest income	(745,251)	(1,730,354)
Dividend income	(19,421)	(26,040)
Share of profit of subsidiaries and associates	(28,273,363)	(9,795,856)
Gain on disposal of property, plant and equipment	(49,223)	(3,957)
Loss on disposal of investment properties	768	-
Write-down of inventories	-	5,898
Unrealized gain on transactions with subsidiaries	122	-
Unrealized loss on foreign currency exchange	415,520	889,195
Changes in operating assets and liabilities		
Notes receivable	(21)	33
Trade receivables	7,604,999	(3,090,252)
Trade receivables from related parties	(3,431,803)	(132,550)
Other receivables	(46,534)	(11,701)
Other receivables from related parties	(58,702)	99,414
Inventories	3,683,809	4,444,770
Other current assets	(137,595)	(30,679)
Contract liabilities	(14,534)	761
Trade payables	(433,466)	399,537
Trade payables to related parties	(2,580,173)	(15,760,281)
Other payables	(1,107,473)	(1,301,039)
Other payables to related parties	(9,221)	3,734
Other current liabilities	1,572,974	(482,880)
Net defined benefit liabilities	-	6
Other non-current liabilities	(10)	(80)
Cash generated from (used in) operations	5,846,307	(12,518,234)
Dividends received	28,843,970	631,829
Income tax paid	(2,679,159)	(2,984,500)
Net cash generated from (used in) operating activities	<u>32,011,118</u>	<u>(14,870,905)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(155,202,778)	(207,371,360)
Proceeds from disposal of financial assets at amortized cost	143,432,590	231,306,075
Acquisitions of investments accounted for using the equity method	-	(28,340)
Acquisitions of property, plant and equipment	(735,620)	(1,321,095)
Proceeds from disposal of property, plant and equipment	51,544	6,368
Increase in refundable deposits	(842)	(120)

(Continued)

# CATCHER TECHNOLOGY CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Decrease in refundable deposits	\$ 820	\$ -
Acquisitions of intangible assets	(8,633)	(33,778)
Acquisitions of investment properties	(4,907)	(930)
Proceeds from disposal of investment properties	178	-
Interest received	<u>855,180</u>	<u>1,921,710</u>
Net cash generated from (used in) investing activities	<u>(11,612,468)</u>	<u>24,478,530</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	302,129,287	292,578,216
Repayments of short-term borrowings	(297,557,807)	(291,421,970)
Proceeds from guarantee deposits received	3,260	1,120
Refunds of guarantee deposits received	(1,520)	(5,195)
Increase in other payables to related parties	694,000	926,000
Decrease in other payables to related parties	(1,620,000)	(958,830)
Repayment of the principal portion of lease liabilities	(52,990)	(8,587)
Cash dividends paid	(7,616,181)	(9,244,692)
Payments for buy-back of ordinary shares	(1,796,390)	-
Interest paid	<u>(463,493)</u>	<u>(419,511)</u>
Net cash used in financing activities	<u>(6,281,834)</u>	<u>(8,553,449)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,116,816	1,054,176
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>13,553,816</u>	<u>12,499,640</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 27,670,632</u>	<u>\$ 13,553,816</u>

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

(Concluded)

# Appendix I: Articles of Incorporation

## Chapter 1: General Provisions

### Article 1

The Company is organized as a company limited by shares and permanently existing in accordance with the Company Act of the Republic of China (the “Company Act”) and the Company’s English name is Catcher Technology Co., Ltd.

### Article 2

The scope of business of the Company shall be as follows:

1. CA01090 Aluminum molding business
2. CA01150 Magnesium molding business
3. CA01990 Other non-metal business
4. CC01110 Computer and peripheral manufacturing business
5. CB01010 Machinery and equipment manufacturing business
6. F401010 International trade business
7. CA02080 Metal forging business
8. CB01990 Other mechanical manufacturing business
9. C805050 Industrial plastic manufacturing business
10. CA04010 Surface treatment business
11. CQ01010 Mode manufacturing business
12. ZZ99999 Except for permitted business, the Company may engage in other businesses not prohibited or restricted by laws or regulations

### Article 2-1

The Company may handle endorsement and guaranty affairs in accordance with the Procedures for the Endorsement and Guaranty of the Company if there is any business need.

### Article 2-2

The Company may invest in other businesses which have been approved by the board of directors. The total investment amount may exceed 40% of the total paid-in capital of the Company, which the regulations stated in Article 13 of the Company Act.

### Article 3

The head office of the Company is located in Tainan City, Taiwan, the Republic of China (“R.O.C.”). Subject to the approval of the board of directors and, the Company may, if necessary, set up subsidiaries, branches, or branch offices within or outside the territory of the Republic of China.

### Article 4

Public announcements of the Company shall be made in accordance with the provisions of Article 28 of Company Act.

## **Chapter 2: Shares**

### **Article 5**

The registered capital of the Company shall be NT\$10,000,000,000, divided into 1,000,000,000 common shares with a par value of NT\$10 per share. All the shares shall be issued in increments.

A total of 23,000,000 shares shall be set aside from the aforementioned common shares for the use as employee Stock Warrants, and the board of directors are authorized to issue by increments.

### **Article 5-1**

For issuance of Stock Warrants where the price is less than the market price (book value) of the Company shares, or where the price of the treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders shall be required.

### **Article 6**

The shares of the company are registered in the form of signatures and seals on behalf of the directors of the company, signed and sealed by the directors, issued after the visa according to law, and may be merged and reissued with large denomination securities.

### **Article 6-1**

Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company.

### **Article 6-2**

The Company may, pursuant to the applicable laws and regulations, deliver shares or other securities in book-entry form, instead of delivering physical certificates evidencing shares or other securities. The Company shall arrange for such shares to be recorded by a centralized securities custodian institution.

### **Article 7**

Registration for transfer of shares shall be suspended sixty days immediately before the date of general shareholders' meeting, and thirty days immediately before the date of any extraordinary shareholders' meeting, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

## **Chapter 3: Shareholders' Meetings**

### **Article 8**

Shareholders' meetings shall be of two types

1. General meetings: Shall be convened annually by the Board within six months of the end of each fiscal year.
2. Extraordinary meetings: Shall be convened in accordance with the relevant laws, whenever necessary.



#### Article 9

The shareholder who cannot attend the shareholders' meeting in person may present a proxy letter, in accordance to regulations, issued by the Company, stating scope of authorization and designating a proxy.

#### Article 10:

Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

#### Article 11

Except as otherwise provided in the relevant laws or the Company Act, any resolution of a shareholders' meeting shall be adopted at a meeting which at least general majority of the shareholders attend and at which meeting a general majority of the shareholders present vote in favor of such resolution.

### **Chapter 4: Board of Directors and Audit Committee**

#### Article 12

The Company shall have seven to nine Directors. Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Law. The aforesaid Board of Directors must have no less than three independent directors and the number of independent directors shall not be less than 1/5 of the Board Members. The tenure of office of the directors will be three (3) years and they will be eligible for re-election. Directors shall be elected from a slate of director candidates at shareholders' meetings. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law.

#### Article 12-1

More than half of the elected directors shall not have either one of the following relationships : 1.Spouse; 2.First-degree and second-degree relatives.

#### Article 12-2

If the elected directors are against Article 12-1, these elected directors with lower votes are ineligible.

#### Article 12-3

The professional qualifications, restrictions on the shareholdings and concurrent positions held, and other matters with respect to independent directors shall be in compliance with applicable laws and regulations.

#### Article 12-4

In compliance with Article 14-4 of the ROC Securities and Exchange Act, the Company shall establish an Audit Committee, which shall be consist of all independent directors and no less than 3 members. One of them should have expertise in accounting or finance and one of them should convene the committee. The Audit Committee shall be responsible for those functions of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant regulations. The resolution should be approved by more than half of the audit committee members.

### Article 13

The Company shall have a chair of the Board. The chair of the Board shall be elected by and among the directors by a majority of directors present at a meeting attended by more than two thirds of directors. The chair of the Board shall externally represent the Company.

### Article 13-1

The Board of directors should be formed by the directors, and have the following functions and responsibilities:

1. Preparation of business report.
2. Proposing the earnings distribution or the making-up of losses.
3. Proposing the increase or reduction of capital.
4. Preparation of important procedures, rules, amendments, or agreements.
5. Appointment and removal of the president or vice presidents.
6. Approval of the investment in other businesses.
7. Establishment or abolishment of the branch offices.
8. Examination of business budgets and financial statement.
9. Appointment and removal of accountants.
10. Decision on the shareholders' monetary claims or the technology or goodwill which the Company is in need to exchange with the Company's shares within the authorized capital amount.
11. Decision on the Company's issuance of new shares in exchange with other companies' shares within the authorized capital amount.
12. The issuance of employees stock warrants.
13. Decision on repurchasing the shares of the Company and transferring to employees.
14. Other duties and powers granted by the law or by shareholders' meeting.

### Article 13-2

In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors or the discharge of all independent directors, then the Board of Directors shall convene a shareholders' meeting within 60 days to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. The new Directors shall serve the remaining tenure of the predecessors.

### Article 13-3

Except as otherwise provided in the Company Act of the Republic of China, the board meeting should be convened by chairman and such chairman shall act as the chairman of the meeting. Any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting a general majority of the directors present vote in favor of such resolution.

### Article 13-4

The convening of the board of directors shall state the reasons and notify the directors by the time limit prescribed by the securities authority 7 days prior through notification by e-mail or fax. But when there is an emergency, you can call

it at any time.

#### Article 13-5

The Board may establish Audit, Compensation or other functions of Committee.

#### Article 14

In case the chair of the Board asks for leave or for other reason cannot exercise his power and authority, the deputy should be in accordance with Article 208 of the Company Act.

#### Article 15

Where a director is unable to attend a meeting of the Board, he may appoint another director to represent him by proxy. Each director may act as a proxy for one other director only. The meeting of the Board may be conducted in video conference and the directors who participate in the meeting through video conference are regarded as being present personally. The compensation to the directors is based on the peers' level and will be paid no matter the Company is in profit or loss.

#### Article 15-1

The Company may purchase liability insurance policies for directors during the tenure of their offices and within the scope of damages results from the performances of their official duties.

#### Article 15-2

For the items that should be submitted to the board of directors in accordance with Article 14-3 of the Stock and Exchange Act, the independent directors should be present at the meeting in person and shall not be in proxy of non-independent directors. If any director expresses dissent and it shall be contained in the meeting minutes. If the independent director is not able to be present at the meeting in person to express his dissent, except for proper reasons, the director shall submit the written statements and shall be contained in the meeting minutes.

### **Chapter 5: President and Vice Presidents**

#### Article 16

The Company shall have managerial officers. Appointment, removal and remuneration of the managerial officers shall be subject to the provisions of Article 29 of the Company Act.

### **Chapter 6: Accounting**

#### Article 17

At the end of each fiscal year, the Board of Directors shall prepare the following statements and reports, and submit the same to the Audit Committee for examination thirty (30) days prior to the annual general meeting, and then shall submit the same to the annual general meeting for adoption: (1) Business Report; (2) Financial statements; (3) Proposal governing the distribution of profit or the making-up of losses.

## Article 18

The surplus distribution or loss of the Company shall be paid after the end of each half of the fiscal year. If there is a surplus in the first half of the fiscal year, the distribution priority orders shall be as follows:

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

If there is a surplus in the fiscal year, the distribution priority orders shall be as follows:

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

We are locating at the industry which has positive growth potential. We will appropriately watch each step we have and economics status we are facing. We will continue to expand our scale considering viability of economic situation. Our board also focuses on the stable and growing dividend in proposing the appropriation of annual earnings. However, regarding earning distribution of aforementioned item four, the cash dividends shall not be less than 10% of earnings distributed to shareholders. If the cash dividends is less than 0.5 per share, the Company could distribute stock bonus.

In accordance with Article 240, Paragraph 5 of the Company Act, the company will pay dividends and bonuses or all or part of the statutory surplus reserve or capital reserve stipulated in Article 241, Paragraph 1 of the Company Act., the board of directors is authorized to make the resolution in the form of cash distribution, with more than two-thirds of the directors present and more than half of the directors consent, and report to the shareholders meeting.

## Article 18-1

If the company makes a profit in the current year, it shall pay no less than one percent of the employee's remuneration. The board of directors shall decide to distribute it by stock or cash, and the object of its issuance shall include control that meets certain conditions. Or a subordinate company employee, the certain conditions are set by the board of directors. In addition, the company was able to increase the amount of profit, and the board of directors decided to raise no more than one percent of the director's compensation. The employee compensation and the distribution of directors' compensation shall be reported to the shareholders' meeting. However, when the company still has accumulated losses,

it should retain the amount of compensation in advance, and then pay the employees' compensation and directors' compensation according to the ratio of the above. The object of transfer of the company's purchase of shares, the issue of the employee's stock option certificate, the employee of the share purchase when the new shares are issued, and the issue of the new shares of the employee's rights are restricted, including the control or subordinate company employees who meet certain conditions. The board of directors has fixed it.

## **Chapter 7: Supplementary Articles**

### **Article 19**

In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

### **Article 20**

These Article of Incorporation were enacted on Sep. 19, 1984 and amended on Jun. 12, 1986 for the first time, on Jul 22, 1986 for the second time, on Mar. 16, 1989 for the third time, on Jun. 13, 1990 for the fourth time, on Jul. 27, 1992 for the fifth time, on Oct. 1, 1992 for the sixth time, on Jun. 20, 1994 for the seventh time, on Apr. 27, 1996 for the eighth time, on Sep. 13, 1996 for the ninth time, on Jan. 31, 1997 for the tenth time, on Jul 10, 1997 for the eleventh time, on Sep. 27, 1997 for the twelfth time, on Jun 21, 1998 for the thirteenth time, on Nov 2, 1998 for the fourteenth time, on Mar. 18, 1999 for the fifteenth time, on Apr. 24, 2000 for the sixteenth time, on Jun. 12, 2001 for the seventeenth time, on May 30, 2002 for the eighteenth time, on May 6, 2003 for the nineteenth time, on May 24, 2004 for the twentieth time, on May 24, 2004 for the twenty-first time, on May 31, 2005 for the twenty-second time, on May 30, 2006 for the twenty-third time, on June. 28, 2007 for twenty-fourth time, on Jun. 26, 2009 for twenty-fifth time, on Jun. 25, 2010 for twenty-sixth time, on Jun. 13, 2012 for the twenty-seventh time, on Jun. 13, 2013 for the twenty-eighth time, on May 19, 2017 for the twenty-ninth time, 2018 for the thirtieth time, on Jun. 11, on June 12, 2019 for the thirty-first time.

## **Appendix II: Rules and Procedures of Shareholders' Meeting**

### Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Articles of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### Article 3

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. Those shareholders who hold less than 1,000 shares of registered stock may be informed of the meeting notice 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website. The subject of the meeting shall be explicitly stated in notices and public announcements.

When the relevant parties grant their consent, notification may be performed using electronics means. The election or dismissal of directors, amendment to the Articles of Incorporation, the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be stated as the causes of convention and shall not be proposed as special motions in the meeting. Shareholders holding at least 1% of the total number of issued shares may submit annual general meeting proposals to the Company in writing. Any proposal relates to Article 172, Paragraph 1-4 of the Company Act shall not be accepted. The company shall publicly announce acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may be no shorter than 10 days. The proposal shall not exceed 300 characters in length (including punctuation marks), or the proposing shareholder shall not submit more than one proposal, and fail to comply with these requirements will cause the entire proposal being excluded from the Shareholders' meeting. The proposing shareholder(s) or its designee shall attend the meeting and join the

discussion. The Company shall notify those shareholders who submitted proposals of the results of process of the proposals prior to the notification of annual general meeting. If the shareholders' proposals to be included in the meeting agenda according to the rule; such proposals shall be included in the agenda. With regard to any shareholder proposals not included in the meeting agenda, the Board shall include in the meeting handbook an explanation of why each proposal was not included.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

#### Article 6

The handbook of shareholders' meeting, annual report, attendance pass, speaking slips, ballots, and other material should be provided to the shareholders in attendance. Shareholders and their proxies shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. Government or juristic shareholders may send more than one representative to a shareholders' meeting. However, a juristic person attending a shareholders' meeting as a proxy may send only one representative to attend.

The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

#### Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as

chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules



of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

#### Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### Article 12

Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued 52 shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this

Corporation before 5 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting 53 rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

#### Article 16

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

#### Article 19

The Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

## Appendix III: Shareholdings of All Directors

### CATCHER Technology

- Catcher Director Shareholding and Legal Minimum Shareholdings is as follows:  
 Common shares issued 761,618,069 shares  
 Legal holding of all directors in number of shares 24,371,778 shares
- The Company has set up an Audit Committee, so limitations on supervisors' holdings are not applicable.
- As of April 2, 2021, all board members' shareholding are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Shui-Shu Hung	10,704,834	1.41%
Director	Tien-Szu Hung	10,661,889	1.40%
Director	Yung Yu Investment Co., Ltd. (Representative: Shui-Sung Hung)	10,283,871	1.35%
Director	Mon-Huan Lei	0	0.00%
Independent Director	Wen-Che Tseng	0	0.00%
Independent Director	Tsornng-Juu Liang	0	0.00%
Independent Director	Ming-Yang Cheng	0	0.00%
All Directors		31,650,594	4.16%

## **Appendix IV: Other Explanation Items**

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

Not Applicable

### **2. Shareholders' Proposal for 2021's Shareholders' Meeting**

According to Company Act-section 172-1 and related regulations, the shareholders with above 1% holdings of Catcher could submit the proposals to the Company (No 398, RenAi Street, Yongkang Dist, Tainan, Taiwan) during the period starting from 2021/03/19 to 2021/03/29. No proposals for 2021's shareholders' meeting were received during the period.