

**Catcher Technology Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Third Quarter of 2022 and 2021  
Independent Auditors' Review Report**

## **Independent Auditors' Review Report**

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

### **Introduction**

Catcher Technology Co., Ltd. and its subsidiaries' (Catcher Group) Consolidated Balance Sheets for September 30, 2022 and 2021, in addition to the Consolidated Statements of Comprehensive Income for July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to September 30, 2022 and 2021, have been reviewed by the CPAs. The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope**

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review (please see Other Matter), we are not aware of any material respects in which the consolidated financial statements referred to above do not comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and which do not present fairly the consolidated financial position of Catcher Group as of September 30, 2022 and 2021, the consolidated financial performance as of July 1 to September 30, 2022 and 2021, and the consolidated financial results and consolidated cash flows from January 1 to September 30, 2022

and 2021.

### **Other Matter**

Among the subsidiaries included in the consolidated financial report of Catcher Group for the third quarter of 2021, and investments accounted for using the equity method for the third quarter of 2022, the financial reports of Ke Yue, Yi Sheng and Yi De and Bioteque Corporation accounted for using the equity method were not reviewed by the CPAs; however, they were reviewed by other accountants. Thus, the conclusion made by the CPAs on the consolidated financial report, regarding the investment amounts listed in the financial reports of Ke Yue, Yi Sheng, Yi De and Bioteque Corporation accounted for using the equity method, is based on the review reports by other accountants. The combined assets of Ke Yue, Yi Sheng and Yi De as of September 30, 2021 accounted for 2% of the total consolidated assets. The comprehensive profit and loss of Ke Yue, Yi Sheng and Yi De from July 1 to September 30, 2021 and January 1 to September 30, 2021 accounted for (0.2%) and (2%), respectively, of the consolidated comprehensive profit and loss. As of September 30, 2022, the total amount of the above-mentioned investments accounted using the equity method was NT\$433,661 thousand, accounting for 0.2% of the total consolidated assets. From July 1 to September 30, 2022 and from January 1 to September 30, 2022, the total amount of the investments accounted using the equity method were both NT\$19,764 thousand, accounting for 0.1% and 0.07%, respectively, of the total consolidated assets.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
November 9, 2022

### Notice to Readers

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

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2022, DECEMBER 31, 2021, AND SEPTEMBER 30, 2021

(In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 106,911,563	40	\$ 53,115,285	22	\$ 21,413,922	9
Financial assets at FVTPL - current (Note 7)	901,836	-	3,967,937	2	5,243,461	2
Financial assets at FVTOCI - current (Note 8)	115,183	-	1,870,987	1	798,143	1
Financial assets at amortized cost - current (Notes 9 and 33)	92,685,919	35	122,046,739	49	152,303,901	62
Trade receivables (Notes 11 and 25)	9,578,861	4	9,665,413	4	13,067,102	5
Other receivables (Note 11)	719,630	-	503,406	-	335,185	-
Current tax assets	79,024	-	425,494	-	355,226	-
Inventories (Note 12)	3,679,544	1	3,316,762	1	3,212,633	1
Other current assets (Note 19)	353,863	-	406,109	-	452,967	-
Total current assets	<u>215,025,423</u>	<u>80</u>	<u>195,318,132</u>	<u>79</u>	<u>197,182,540</u>	<u>80</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at FVTPL - non-current (Note 7)	1,397,609	1	958,795	-	944,295	-
Financial assets at FVTOCI - non-current (Note 8)	2,899,493	1	5,430,345	2	4,657,440	2
Financial assets at amortized cost - non-current (Note 9)	26,573,643	10	21,891,382	9	19,417,852	8
Investments accounted for using the equity method (Note 14)	2,149,507	1	8,050	-	9,017	-
Property, plant and equipment (Note 15)	15,355,913	6	17,868,347	7	19,459,639	8
Right-of-use assets (Note 16)	1,020,200	-	1,016,568	1	1,192,909	-
Investment properties (Note 17)	749,553	-	221,565	-	463,713	-
Intangible assets (Note 18)	29,139	-	57,707	-	42,599	-
Deferred tax assets (Note 4)	3,308,510	1	4,058,919	2	4,123,266	2
Other non-current assets (Note 19)	49,145	-	72,993	-	72,313	-
Total non-current assets	<u>53,532,712</u>	<u>20</u>	<u>51,584,671</u>	<u>21</u>	<u>50,383,043</u>	<u>20</u>
<b>TOTAL</b>	<u>\$ 268,558,135</u>	<u>100</u>	<u>\$ 246,902,803</u>	<u>100</u>	<u>\$ 247,565,583</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 20 and 33)	\$ 78,737,726	29	\$ 78,031,726	32	\$ 79,231,726	32
Contract liabilities - current (Note 25)	73,204	-	32,742	-	58,096	-
Trade payables (Note 21)	3,015,056	1	3,465,780	1	3,526,533	2
Other payables (Note 22)	5,665,360	2	5,983,148	2	5,979,927	2
Dividends payable	41	-	-	-	-	-
Current tax liabilities (Note 4)	1,173,585	1	309,608	-	329,564	-
Lease liabilities - current (Note 16)	8,417	-	13,168	-	14,480	-
Other current liabilities (Note 22)	945,505	-	1,396,923	1	1,839,377	1
Total current liabilities	<u>89,618,894</u>	<u>33</u>	<u>89,233,095</u>	<u>36</u>	<u>90,979,703</u>	<u>37</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities (Note 4)	8,990,479	4	6,100,759	3	5,737,343	2
Lease liabilities - non-current (Note 16)	126,073	-	126,873	-	129,142	-
Net defined benefit liabilities - non-current (Note 4)	6,573	-	6,578	-	6,572	-
Other non-current liabilities (Note 22)	9,536	-	8,776	-	21,317	-
Total non-current liabilities	<u>9,132,661</u>	<u>4</u>	<u>6,242,986</u>	<u>3</u>	<u>5,894,374</u>	<u>2</u>
Total liabilities	<u>98,751,555</u>	<u>37</u>	<u>95,476,081</u>	<u>39</u>	<u>96,874,077</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> (Note 24)						
Share capital						
Ordinary shares	7,144,671	2	7,616,181	3	7,616,181	3
Capital surplus	18,771,534	7	20,008,824	8	20,008,824	8
Retained earnings						
Legal reserve	22,354,680	9	21,497,294	8	21,497,294	9
Special reserve	16,961,466	6	14,394,310	6	14,394,310	6
Unappropriated earnings	102,517,781	38	108,287,799	44	104,918,898	42
Total retained earnings	<u>141,833,927</u>	<u>53</u>	<u>144,179,403</u>	<u>58</u>	<u>140,810,502</u>	<u>57</u>
Other equity	2,045,108	1	( 16,961,466 )	( 7 )	( 17,506,690 )	( 7 )
Treasure shares	-	-	( 3,465,809 )	( 1 )	( 286,657 )	-
Total equity attributable to owners of the Company	<u>169,795,240</u>	<u>63</u>	<u>151,377,133</u>	<u>61</u>	<u>150,642,160</u>	<u>61</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>11,340</u>	<u>-</u>	<u>49,589</u>	<u>-</u>	<u>49,346</u>	<u>-</u>
Total equity	<u>169,806,580</u>	<u>63</u>	<u>151,426,722</u>	<u>61</u>	<u>150,691,506</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 268,558,135</u>	<u>100</u>	<u>\$ 246,902,803</u>	<u>100</u>	<u>\$ 247,565,583</u>	<u>100</u>

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

(Refer to the review report of Deloitte & Touche dated November 9, 2022)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

JULY 1 to SEPTEMBER 30, 2022 AND 2021 AND JANUARY 1 to SEPTEMBER 30, 2022 AND 2021

(Reviewed only, not audited in accordance with generally accepted auditing standards)

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

	July 1 to September 30, 2022		July 1 to September 30, 2021		January 1 to September 30, 2022		January 1 to September 30, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 16 and 25)	\$ 8,675,025	100	\$ 9,867,645	100	\$ 21,174,409	100	\$ 32,898,933	100
OPERATING COSTS (Notes 12 and 26)	<u>5,713,365</u>	<u>66</u>	<u>6,372,619</u>	<u>65</u>	<u>14,574,489</u>	<u>69</u>	<u>22,040,532</u>	<u>67</u>
GROSS PROFIT	<u>2,961,660</u>	<u>34</u>	<u>3,495,026</u>	<u>35</u>	<u>6,599,920</u>	<u>31</u>	<u>10,858,401</u>	<u>33</u>
OPERATING EXPENSES (Notes 11 and 26)								
Selling and marketing expenses	102,388	1	94,809	1	299,292	1	299,910	1
General and administrative expenses	558,775	6	656,698	6	1,572,104	7	2,113,285	6
Research and development expenses	388,998	5	460,891	5	1,168,200	6	1,239,553	4
Gain on reversal of expected credit loss	-	-	-	-	( 51,289)	-	-	-
Total operating expenses	<u>1,050,161</u>	<u>12</u>	<u>1,212,398</u>	<u>12</u>	<u>2,988,307</u>	<u>14</u>	<u>3,652,748</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>1,911,499</u>	<u>22</u>	<u>2,282,628</u>	<u>23</u>	<u>3,611,613</u>	<u>17</u>	<u>7,205,653</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 14 and 26)								
Interest income	1,507,197	18	194,680	2	2,277,152	11	602,037	1
Other income	98,918	1	143,794	1	1,001,823	5	1,928,069	6
Foreign exchange gains (losses), net	5,520,934	63	25,790	-	10,987,001	52	( 1,814,303)	(5)
Other gains	( 152,931)	(2)	( 26,152 )	-	( 1,111,626)	(6)	102,894	-
Interest expense	( 202,919)	(2)	( 119,319 )	(1)	( 474,573)	(2)	( 348,606)	(1)
Expected credit losses	-	-	-	-	( 76,671)	-	-	-
Share of profit (loss) of associates	41,035	-	( 168 )	-	37,403	-	( 2,566)	-
Total non-operating income and expenses	<u>6,812,234</u>	<u>78</u>	<u>218,625</u>	<u>2</u>	<u>12,640,509</u>	<u>60</u>	<u>467,525</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	8,723,733	100	2,501,253	25	16,252,122	77	7,673,178	23
INCOME TAX EXPENSE (Notes 4 and 27)	<u>3,677,384</u>	<u>42</u>	<u>486,643</u>	<u>5</u>	<u>5,642,236</u>	<u>27</u>	<u>2,447,189</u>	<u>7</u>
NET PROFIT	<u>5,046,349</u>	<u>58</u>	<u>2,014,610</u>	<u>20</u>	<u>10,609,886</u>	<u>50</u>	<u>5,225,989</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	( 16,266)	-	( 2,311 )	-	( 23,809)	-	( 52,339)	-

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	July 1 to September 30, 2022		July 1 to September 30, 2021		January 1 to September 30, 2022		January 1 to September 30, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	9,527,022	110	( 179,476 )	(2)	19,165,296	90	( 3,052,712 )	(10)
Unrealized gain (loss) on investment in debt instrument at fair value through other comprehensive income	<u>92,459</u>	<u>1</u>	( <u>8,819</u> )	<u>±</u>	( <u>101,210</u> )	<u>±</u>	( <u>8,819</u> )	<u>±</u>
Current period other comprehensive income (post-tax profit or loss)	<u>9,603,215</u>	<u>111</u>	( <u>190,606</u> )	(2)	<u>19,040,277</u>	<u>90</u>	( <u>3,113,870</u> )	(10)
Total comprehensive income	<u>\$ 14,649,564</u>	<u>169</u>	<u>\$ 1,824,004</u>	<u>18</u>	<u>\$ 29,650,163</u>	<u>140</u>	<u>\$ 2,112,119</u>	<u>6</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 5,046,284	58	\$ 2,009,924	20	\$ 10,615,903	50	\$ 5,204,455	16
Non-controlling interests	<u>65</u>	<u>±</u>	<u>4,686</u>	<u>±</u>	( <u>6,017</u> )	<u>±</u>	<u>21,534</u>	<u>±</u>
	<u>\$ 5,046,349</u>	<u>58</u>	<u>\$ 2,014,610</u>	<u>20</u>	<u>\$ 10,609,886</u>	<u>50</u>	<u>\$ 5,225,989</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 14,648,775	169	\$ 1,819,980	18	\$ 29,651,255	140	\$ 2,092,576	6
Non-controlling interests	<u>789</u>	<u>±</u>	<u>4,024</u>	<u>±</u>	( <u>1,092</u> )	<u>±</u>	<u>19,543</u>	<u>±</u>
	<u>\$ 14,649,564</u>	<u>169</u>	<u>\$ 1,824,004</u>	<u>18</u>	<u>\$ 29,650,163</u>	<u>140</u>	<u>\$ 2,112,119</u>	<u>6</u>
EARNINGS PER SHARE (Note 28)								
Basic	\$ 7.06		\$ 2.64		\$ 14.70		\$ 6.83	
Diluted	7.06		2.63		14.67		6.80	

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

(Refer to the review report of Deloitte & Touche dated November 9, 2022)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
JANUARY 1 TO SEPTEMBER 30, 2022 AND 2021  
(Reviewed only, not audited in accordance with generally accepted auditing standards)  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at FVTOCI	Total	Treasure Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 7,616,181	\$ 20,008,824	\$ 21,497,294	\$ 14,394,310	\$ 108,287,799	( \$ 16,859,133 )	( \$ 102,333 )	( \$ 16,961,466 )	( \$ 3,465,809 )	\$ 151,377,133	\$ 49,589	\$ 151,426,722
Appropriation of the 2021 earnings (Note 24)												
Legal reserve	-	-	857,386	-	( 857,386 )	-	-	-	-	-	-	-
Special reserve	-	-	-	2,567,156	( 2,567,156 )	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	( 7,297,531 )	-	-	-	-	( 7,297,531 )	-	( 7,297,531 )
Donations from shareholders	-	1,192	-	-	-	-	-	-	-	1,192	-	1,192
Net profit (loss) from January 1 to September 30, 2022	-	-	-	-	10,615,903	-	-	-	-	10,615,903	( 6,017 )	10,609,886
Other comprehensive income after tax for the nine months ended September 30, 2022	-	-	-	-	-	19,160,371	( 125,019 )	19,035,352	-	19,035,352	4,925	19,040,277
Total comprehensive income/(loss) for the nine months ended September 30, 2022	-	-	-	-	10,615,903	19,160,371	( 125,019 )	19,035,352	-	29,651,255	( 1,092 )	29,650,163
Gain (loss) on disposal of investments in equity instruments at FVTOCI	-	-	-	-	28,778	-	( 28,778 )	( 28,778 )	-	-	-	-
Buy back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	( 3,936,809 )	( 3,936,809 )	-	( 3,936,809 )
Cancellation of treasury shares (Note 24)	( 471,510 )	( 1,238,482 )	-	-	( 5,692,626 )	-	-	-	7,402,618	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 37,157 )	( 37,157 )
BALANCE AT SEPTEMBER 30, 2022	\$ 7,144,671	\$ 18,771,534	\$ 22,354,680	\$ 16,961,466	\$ 102,517,781	\$ 2,301,238	( \$ 256,130 )	\$ 2,045,108	\$ -	\$ 169,795,240	\$ 11,340	\$ 169,806,580
BALANCE AT JANUARY 1, 2021	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	( \$ 14,326,474 )	( \$ 67,836 )	( \$ 14,394,310 )	\$ -	\$ 157,975,065	\$ 96,537	\$ 158,071,602
Appropriation of the 2020 earnings (Note 24)												
Legal reserve	-	-	1,965,163	-	( 1,965,163 )	-	-	-	-	-	-	-
Special reserve	-	-	-	2,205,804	( 2,205,804 )	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	( 9,139,417 )	-	-	-	-	( 9,139,417 )	-	( 9,139,417 )
Donations from shareholders	-	593	-	-	-	-	-	-	-	593	-	593
Net Profit from January 1 to September 30, 2021	-	-	-	-	5,204,455	-	-	-	-	5,204,455	21,534	5,225,989
Other comprehensive income after tax for the nine months ended September 30, 2021	-	-	-	-	-	( 3,050,721 )	( 61,158 )	( 3,111,879 )	-	( 3,111,879 )	( 1,991 )	( 3,113,870 )
Total comprehensive income/(loss) for the nine months ended September 30, 2021	-	-	-	-	5,204,455	( 3,050,721 )	( 61,158 )	( 3,111,879 )	-	2,092,576	19,543	2,112,119
Gain (loss) on disposal of investments in equity instruments at FVTOCI	-	-	-	-	501	-	( 501 )	( 501 )	-	-	-	-
Buy back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	( 286,657 )	( 286,657 )	-	( 286,657 )
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 66,734 )	( 66,734 )
BALANCE AT SEPTEMBER 30, 2021	\$ 7,616,181	\$ 20,008,824	\$ 21,497,294	\$ 14,394,310	\$ 104,918,898	( \$ 17,377,195 )	( \$ 129,495 )	( \$ 17,506,690 )	( \$ 286,657 )	\$ 150,642,160	\$ 49,346	\$ 150,691,506

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

(Refer to the review report of Deloitte & Touche dated November 9, 2022)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

JANUARY 1 TO SEPTEMBER 30, 2022 AND 2021

(Reviewed only, not audited in accordance with generally accepted auditing standards)

(In Thousands of New Taiwan Dollars)

	January 1 to September 30, 2022	January 1 to September 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 16,252,122	\$ 7,673,178
Adjustments for:		
Depreciation expense	2,640,440	3,852,446
Amortization expense	36,303	42,948
Expected credit losses	25,382	-
Net loss (gain) on financial instruments at fair value through profit or loss	971,055 (	87,754)
Interest expense	474,573	348,606
Net (gain) loss on disposal of financial assets	175,820 (	1,278)
Interest income	( 2,277,152)	( 602,037)
Dividend income	( 97,883)	( 52,921)
Share of (profit) loss of associates	( 37,403)	2,566
Proceeds from disposal of property, plant and equipment	( 234,670)	( 346,193)
Loss on disposal of subsidiaries	9,883	-
Unrealized proceeds from foreign currency exchange	( 2,096,449)	( 715,816)
Changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables	319,847	4,058,753
Other receivables	60,531	59,269
Inventories	( 57,009)	2,737,623
Other current assets	( 9,818)	108,597
Contract liabilities	40,462	45,551
Trade payables	( 529,550)	( 4,075,147)
Other payables	( 683,561)	( 971,514)
Other current liabilities	( 568,629)	( 520,438)
Net defined benefit liabilities	( 4)	14
Other non-current liabilities	-	( 10)
Cash generated from operations	14,414,290	11,556,464
Dividends received	97,127	52,921
Income tax paid	( 960,314)	( 6,711,028)
Net cash generated from operating activities	<u>13,551,103</u>	<u>4,898,357</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	( 409,423)	( 4,945,552)
Proceeds from sale of financial assets at fair value through other comprehensive income	2,757,954	137,887
Purchase of financial assets at amortized cost	( 273,630,592)	( 597,711,970)

(Continued)



(Continued from previous page)

	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Proceeds from sale of financial assets at amortized cost	\$ 310,039,054	\$ 515,121,779
Purchase of financial assets at fair value through profit or loss	( 7,177,644)	( 8,657,633)
Proceeds from disposals of financial assets at fair value through profit or loss	9,165,695	2,826,362
Acquisition of property, plant and equipment	( 380,711)	( 938,993)
Proceeds from disposal of property, plant and equipment	335,032	371,323
Increase in refundable deposits	( 1,357)	( 43,705)
Decrease in refundable deposits	1,426	59,685
Payments for intangible assets	-	( 31,200)
Purchase of investment properties	-	( 410)
Interest received	1,744,218	593,298
Dividends received from associates	<u>110,624</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>42,554,276</u>	<u>( 93,219,129)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	304,675,178	225,882,452
Repayments of short-term borrowings	( 303,969,178)	( 217,116,452)
Proceeds from guarantee deposits received	14,386	14,983
Refunds of guarantee deposits received	( 6,029)	( 8,018)
Repayment of the principal portion of lease liabilities	( 11,231)	( 13,764)
Cash dividends paid	( 7,297,490)	( 9,139,417)
Payments for buy-back of ordinary shares	( 3,981,444)	( 202,671)
Interest paid	( 464,686)	( 343,986)
Decrease in non-controlling interests	( 37,157)	( 66,734)
Proceeds from unclaimed dividends	<u>1,192</u>	<u>593</u>
Net cash used in financing activities	<u>( 11,076,459)</u>	<u>( 993,014)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>8,767,358</u>	<u>( 1,155,273)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	53,796,278	( 90,469,059)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>53,115,285</u>	<u>111,882,981</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>\$ 106,911,563</u>	<u>\$ 21,413,922</u>

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

(Refer to the review report of Deloitte & Touche dated November 9, 2022)

# **CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JANUARY 1 TO SEPTEMBER 30, 2022 AND 2021**

**(Reviewed only, not audited in accordance with generally accepted auditing standards)**

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

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### **1. GENERAL INFORMATION**

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

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

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

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

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were published after being approved by the Company’s Board of Directors on November 9, 2022.

### **3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

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

Note 1: The amendments are applicable to the annual reporting periods beginning after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur during the reporting period after January 1, 2023.

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

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has been continuously assessing the possible impact from the

interpretations and amendments to the above standards on the Group's financial status and financial performance; the Group will disclose the relevant impact once the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Statement of compliance**

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

**b. Basis of preparation**

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

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

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

**c. Basis of consolidation**

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

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

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

**d. Other significant accounting policies**

In addition to the following description, please refer to the summary of significant

accounting policies in the 2021 Consolidated Financial Report.

1) Defined retirement benefits

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

2) Taxation

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the description for the major sources of uncertainty in critical accounting judgments, estimates and assumptions in the 2021 Consolidated Financial Report.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 2,044	\$ 1,794	\$ 3,453
Demand deposits in banks	3,995,798	11,352,246	17,057,386
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	102,660,712	41,597,648	3,920,172
Repurchase agreements	253,009	66,050	335,193
Commercial paper	-	97,547	97,718
	<u>\$106,911,563</u>	<u>\$ 53,115,285</u>	<u>\$ 21,413,922</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits	0.73%~4.18%	0.17%~2.95%	0.82%~3.16%
Repurchase agreements	0.58%~0.70%	1%	1%
Commercial paper	-	0.3%	0.2%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
Beneficiaries certificates	\$ 53,243	\$ 2,223,491	\$ 3,738,113
Listed shares	<u>848,593</u>	<u>1,744,446</u>	<u>1,505,348</u>
	<u>\$ 901,836</u>	<u>\$ 3,967,937</u>	<u>\$ 5,243,461</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
Private equity funds	\$ 1,129,497	\$ 661,216	\$ 751,100
Private equity securities	31,573	90,286	-
Limited partnerships	150,814	132,557	118,000
Simple Agreement for Future Equity (SAFE)	<u>85,725</u>	<u>74,736</u>	<u>75,195</u>
	<u>\$ 1,397,609</u>	<u>\$ 958,795</u>	<u>\$ 944,295</u>

## 8. FINANCIAL ASSETS AT FVTOCI

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 115,183</u>	<u>\$ 1,870,987</u>	<u>\$ 798,143</u>
<u>Non-current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 993,784	\$ 859,146	\$ 719,148
Investments in debt instruments at fair value through other comprehensive income (FVTOCI)	<u>1,905,709</u>	<u>4,571,199</u>	<u>3,938,292</u>
	<u>\$ 2,899,493</u>	<u>\$ 5,430,345</u>	<u>\$ 4,657,440</u>

### a. Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Domestic investments			
Listed shares	<u>\$ 115,183</u>	<u>\$ 1,870,987</u>	<u>\$ 798,143</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 55,020	\$ 36,240	\$ 36,540
Foreign investments			
Limited partnerships	<u>938,764</u>	<u>822,906</u>	<u>682,608</u>
	<u>\$ 993,784</u>	<u>\$ 859,146</u>	<u>\$ 719,148</u>

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

The Group increased its investment in China Renewable Energy Fund, L.P. (the CREF) by US\$5,290 thousand and US\$5,096 thousand in November 2021 and February 2021, respectively, and accounted for 23.51% of the CREF. Holding only 1 out of 5 seats in the Operation Committee of the CREF and considering this having no significant influence over the investee, the Group's management decided to classify the investment as financial assets at FVTOCI - non-current.

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

- b. Investments in debt instruments at fair value through other comprehensive income (FVTOCI)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Foreign corporate bonds	\$ 1,905,709	\$ 4,571,199	\$ 3,938,292

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Domestic investments			
Time deposits with original maturity of more than 3 months (a)	\$ 84,696,270	\$ 21,521,790	\$ 152,043,016
Restricted bank deposits (a and b)	7,988,400	-	-
Repurchase agreements (a)	-	523,700	257,345
Refundable deposits	1,249	1,249	3,540
	<u>\$ 92,685,919</u>	<u>\$ 122,046,739</u>	<u>\$ 152,303,901</u>
<u>Non-current</u>			
Domestic investments			
Restricted bank deposits (a and c)	\$ 26,280,253	\$ 21,635,436	\$ 19,160,342
Time deposits with original maturity of more than 1 year (a)	291,640	254,196	255,760
Refundable deposits	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>

\$ 26,573,643    \$ 21,891,382    \$ 19,417,852

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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Time deposits	0.73%~4.27%	0.12%~2.72%	0.11%~2.8%
Repurchase agreements	-	1%~1.2%	1.2%

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

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

September 30, 2022

	<b>Financial Assets at FVTOCI</b>
Gross carrying amount	\$ 1,957,568
Allowance for impairment loss	( <u>51,859</u> )
	<u>\$ 1,905,709</u>

December 31, 2021

	<b>Financial Assets at FVTOCI</b>
Gross carrying amount	<u>\$ 4,571,199</u>

September 30, 2021

	<b>Financial Assets at FVTOCI</b>
Gross carrying amount	<u>\$ 3,938,292</u>

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

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



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

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

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

September 30, 2022

<b>Credit Rating</b>	<b>Expected Credit Loss Rate</b>	<b>Total Carrying Amount Measured at FVTOCI</b>
Normal	0%	\$ 1,905,709
Abnormal	100%	51,859

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

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

	<b>Credit Rating</b>
	<b>Abnormal (Expected Credit Loss for the Duration of the Debt Instrument Investment Without Credit Impairment)</b>
Balance at January 1, 2022	\$ -
Changes in credit rating of debt instruments recognized in the beginning of period	
- normal to abnormal	76,671
Derecognition	( 33,612 )
Changes in exchange rates and others	8,800
Balance at September 30, 2022	<u>\$ 51,859</u>

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

From January 1 to September 30, 2022, the Group sold the investment in corporate bonds measured at FVTOCI by NT\$33,049 thousand, and derecognised the loss allowance by NT\$33,612 thousand corresponding to its credit rating.

## 11. TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 9,587,299	\$ 9,722,596	\$13,124,285
Less: Allowance for impairment loss	( 8,438 )	( 57,183 )	( 57,183 )
	<u>\$ 9,578,861</u>	<u>\$ 9,665,413</u>	<u>\$13,067,102</u>
Other receivables	<u>\$ 719,630</u>	<u>\$ 503,406</u>	<u>\$ 335,185</u>

### a. Trade receivables

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

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

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

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

September 30, 2022

	<u>Not Past Due</u>	<u>Less than 60 Days</u>	<u>61 to 150 Days</u>	<u>Total</u>
Expected credit loss ratio	0%~0.097%	0%~2.366%	0%~4.762%	
Gross carrying amount	\$8,669,714	\$ 814,626	\$ 102,959	\$9,587,299
Loss allowance (lifetime ECLs)	( 8,428 )	( 7 )	( 3 )	( 8,438 )
Amortized cost	<u>\$8,661,286</u>	<u>\$ 814,619</u>	<u>\$ 102,956</u>	<u>\$9,578,861</u>

December 31, 2021

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

September 30, 2021

	<u>Not Past Due</u>	<u>Less than 60 Days</u>	<u>61 to 120 Days</u>	<u>Total</u>
Expected credit loss ratio	0%~0.494%	0%~2.366%	0%~4.6762%	
Gross carrying amount	\$11,564,467	\$1,559,643	\$ 175	\$13,124,285
Loss allowance (lifetime ECLs)	( 57,176 )	( 4 )	( 3 )	( 57,183 )
Amortized cost	<u>\$11,507,291</u>	<u>\$1,559,639</u>	<u>\$ 172</u>	<u>\$13,067,102</u>

Changes in loss allowances for trade receivables are as follows:

	<u>January 1 to September 30, 2022</u>
Opening balance	\$ 57,183
Less: Reversal on impairment loss in current period	( 51,289 )
Effects of foreign currency exchange differences	2,544
Ending balance	<u>\$ 8,438</u>

There was no change in the loss allowance of trade receivables from January 1 to September 30, 2021.

b. Other receivables

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

## 12. INVENTORIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Merchandise	\$ 4,688	\$ 11,033	\$ 11,240
Finished goods	1,951,410	2,045,964	1,920,550
Work-in-process and semi-finished goods	1,184,634	934,852	997,712
Raw materials and supplies	<u>538,812</u>	<u>324,913</u>	<u>283,131</u>
	<u>\$ 3,679,544</u>	<u>\$ 3,316,762</u>	<u>\$ 3,212,633</u>

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

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Cost of inventories sold	\$ 5,812,255	\$ 6,501,287	\$ 14,819,731	\$ 22,352,575
Others	( 98,890 )	( 128,668 )	( 245,242 )	( 312,043 )
	<u>\$ 5,713,365</u>	<u>\$ 6,372,619</u>	<u>\$ 14,574,489</u>	<u>\$ 22,040,532</u>

### 13. SUBSIDIARY

#### Subsidiaries included in the consolidated financial statements

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

Investor Company	Investee	Main Business	% of Ownership			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	100	
	Ke Yue Co., Ltd.	Investing activities	100	100	100	
	Yi Sheng Co., Ltd.	Investing activities	100	100	100	
	Yi De Co., Ltd.	Investing activities	100	100	100	
	Catcher Medtech Co., Ltd.	Manufacturing and selling medical devices	100	100	-	Note 1
Nanomag International Co., Ltd.	Catcher Holdings International Inc.	Investing activities	-	-	-	Note 5
	Castmate International Co., Ltd.	Investing activities	100	100	100	
	Stella International Co., Ltd.	Investing activities	100	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	75	
	Norma International Co., Ltd.	Investing activities	100	100	100	
	Next Level Ltd.	Investing activities	100	100	100	
	Cor Ventures Pte. Ltd.	Investing activities	100	100	100	
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Investing activities	100	100	100	
Cygnus International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	-	100	Note 2
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	100	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	-	100	Note 2
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Investing activities	100	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	-	100	100	Note 3
Norma International Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
	Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
Gigamag Co., Ltd.	Neat Co., Ltd.	International trade	-	100	100	Note 4
Catcher Holdings	Catcher Ventures Inc.	Investing activities	-	-	-	Note 5

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

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

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

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

Note 5: The Company established Catcher Holdings International Inc. and Catcher Ventures Inc. in June 2022. As of September 30, 2022, the investment funds have not been remitted.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Investments in associates</u>			
Associates that are not individually material			
Pacific Hospital Supply Co., Ltd.	\$ 978,103	\$ -	\$ -
Bioteque Corporation	1,168,041	-	-
Yue-Kang Health Control Technology Inc.	3,363	8,050	9,017
	<u>\$ 2,149,507</u>	<u>\$ 8,050</u>	<u>\$ 9,017</u>

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

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
The Group's share of:				
Net gain (loss) and total comprehensive income for current period	<u>\$ 41,035</u>	<u>( \$ 168 )</u>	<u>\$ 37,403</u>	<u>( \$ 2,566 )</u>

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

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

management of the Group nevertheless believes this would not have a significant impact.

## 15. PROPERTY, PLANT AND EQUIPMENT

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

Please refer to Table 10 for the 2021 and 2022 changes in property, plant, and equipment of the Group from January 1 to September 30.

No impairment losses were recognized or reversed from January 1 to September 30 in 2021 and 2022.

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

### Buildings

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

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

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amount			
Land	\$ 1,015,379	\$ 1,000,840	\$ 1,173,250
Buildings	<u>4,821</u>	<u>15,728</u>	<u>19,659</u>
	<u>\$ 1,020,200</u>	<u>\$ 1,016,568</u>	<u>\$ 1,192,909</u>
	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022
Additions to right-of-use assets			<u>\$ 11,724</u>
Depreciation charge for right-of-use assets			<u>\$ 10,518</u>
Land	\$ 6,599	\$ 7,661	\$ 19,671
Buildings	<u>2,453</u>	<u>3,102</u>	<u>7,403</u>
	<u>\$ 9,052</u>	<u>\$ 10,763</u>	<u>\$ 27,074</u>
Income from the subleasing of right-of-use assets (recognized as operating revenue)	<u>\$ 199</u>	<u>\$ 559</u>	<u>\$ 965</u>
			<u>\$ 1,671</u>

Except for the above-recognized and additional depreciation expense, there was

no significant sublease and impairment of the right-of-use assets of the Group from January 1 to September 30 in 2021 and 2022.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amount			
Current	\$ 8,417	\$ 13,168	\$ 14,480
Non-current	\$ 126,073	\$ 126,873	\$ 129,142

Range of discount rates for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	0.71%~0.95%	0.71%	0.71%
Buildings	0.71%~0.95%	0.71%	0.71%及 4.9%

c. Material lease-in activities and terms

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

d. Sublease

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

The maturity analysis of lease payments receivable was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Year 1	\$ -	\$ 2,269	\$ 2,269

e. Other lease information

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Expenses relating to short-term leases	\$ 1,551	\$ 1,005	\$ 3,161	\$ 3,348
Expenses relating to low-value asset leases	\$ 158	\$ 194	\$ 372	\$ 649
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 2,526	\$ 5,254	\$ 7,945	\$ 19,380
Total cash outflow for leases			\$ 23,841	\$ 39,795

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

## 17. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 203,363	\$ 155,287	\$ 358,650
Property, plant and equipment	507,107	25,929	533,036
Balance at September 30, 2022	\$ 710,470	\$ 181,216	\$ 891,686
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,085	\$ 137,085
Depreciation expense	-	4,357	4,357
Property, plant and equipment	-	691	691
Balance at September 30, 2022	\$ -	\$ 142,133	\$ 142,133
Net amount as of January 1, 2022	\$ 203,363	\$ 18,202	\$ 221,565
Net amount as of September 30, 2022	\$ 710,470	\$ 39,083	\$ 749,553
<u>Cost</u>			
Balance at January 1, 2021	\$ 203,363	\$ 900,329	\$ 1,103,692
Additions	-	410	410
Effect of foreign currency exchange difference	-	( 12,050 )	( 12,050 )
Balance at September 30, 2021	\$ 203,363	\$ 888,689	\$ 1,092,052
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 603,393	\$ 603,393
Depreciation expense	-	32,865	32,865
Effect of foreign currency exchange difference	-	( 7,919 )	( 7,919 )
Balance at September 30, 2021	\$ -	\$ 628,339	\$ 628,339
Net amount as of September 30, 2021	\$ 203,363	\$ 260,350	\$ 463,713



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

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

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

The fair values of the Group's investment properties as of December 31, 2021 and 2020 were NT\$768,833 thousand and NT\$2,334,976 thousand, respectively. Assessed by the management of the Group, there was no significant change in fair value for the investment properties as of September 30, 2021 and 2022 as compared to December 31, 2020 and 2021.

In June 2022, the Group subleased its self-use land under an operating lease and reclassified the land as investment properties. The fair value of the investment properties as of September 30, 2022 was NT\$856,446 thousand, measured based on the actual transaction prices in the neighboring areas in the most recent year.

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

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

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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Year 1	\$ 25,598	\$ 10,037	\$ 60,866
Year 2	26,114	7,560	25,398
Year 3	25,838	7,560	7,560
Year 4	21,480	7,560	7,560
Year 5	11,235	7,560	7,560
More than 5 years	-	1,565	3,455
	<u>\$ 110,265</u>	<u>\$ 41,842</u>	<u>\$ 112,399</u>

## 18. INTANGIBLE ASSETS

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Computer software	\$ 13,848	\$ 34,507	\$ 42,599
Technical skill	15,291	23,200	-
	<u>\$ 29,139</u>	<u>\$ 57,707</u>	<u>\$ 42,599</u>

Except for the recognition of amortization expenses, there was no significant increase, disposal or impairment of the intangible assets of the Group from January 1 to September 30 in 2021 and 2022, respectively. The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 Years
Technical skill	2.5 Years

## 19. OTHER ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Office supplies	\$ 157,259	\$ 174,945	\$ 187,964
Prepaid expenses	74,734	140,863	189,097
Net input VAT	118,120	89,292	73,317
Others	3,750	1,009	2,589
	<u>\$ 353,863</u>	<u>\$ 406,109</u>	<u>\$ 452,967</u>
<u>Non-current</u>			
Prepaid equipment	\$ 48,613	\$ 60,922	\$ 57,068
Others	532	12,071	15,245
	<u>\$ 49,145</u>	<u>\$ 72,993</u>	<u>\$ 72,313</u>

## 20. SHORT-TERM BORROWINGS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Unsecured borrowings</u>			
Unsecured bank loans	\$ 71,737,726	\$ 78,031,726	\$ 79,231,726
<u>Secured borrowings (Note 33)</u>			
Secured bank loans	7,000,000	-	-
	<u>\$ 78,737,726</u>	<u>\$ 78,031,726</u>	<u>\$ 79,231,726</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	0.89%~1.58%	0.60%~0.88%	0.59%~0.90%
Secured bank loans	1.05%	-	-

## 21. TRADE PAYABLES

Trade payables resulted from operating activities.

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

## 22. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other payables			
Payables for employees' compensation	\$ 2,206,504	\$ 2,705,255	\$ 2,820,650
Payables for technical service fees	1,594,582	708,463	588,437
Payables for salaries and bonuses	875,297	1,287,033	1,016,661
Payables for office supplies	131,308	224,733	175,702
Payables for unused annual leave	136,453	132,498	140,005
Payables for utilities	73,017	71,357	72,769
Payables for taxes	81,659	70,675	103,544
Payables for rework charge	-	-	90,364
Payables for purchases of equipment	57,302	111,709	109,494
Payables for meals	41,185	47,714	46,213
Payables for maintenance	40,976	50,573	53,933
Payables for shipping and warehousing expenses	44,880	39,845	35,603
Payables for professional service fees	17,578	34,999	19,580
Payables for interest	23,508	13,836	10,637
Others	341,111	484,458	696,335
	<u>\$ 5,665,360</u>	<u>\$ 5,983,148</u>	<u>\$ 5,979,927</u>
Other liabilities			
Advance payment	\$ 846,055	\$ 748,548	\$ 1,192,551
Deferred revenue	-	584,546	588,136
Guarantee deposits received	23,586	15,952	20,502
Payables for value-added tax	63,216	32,406	25,062
Others	12,648	15,471	13,126
	<u>\$ 945,505</u>	<u>\$ 1,396,923</u>	<u>\$ 1,839,377</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits received	\$ 9,536	\$ 8,776	\$ 21,317

## 23. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined benefit plan recognized from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021 are calculated based on the pension cost ratio actuarially determined on December 31, 2021 and 2020, and the amounts are NT\$557 thousand, NT\$542 thousand, NT\$1,670 thousand and NT\$1,575 thousand, respectively.

## 24. EQUITY

### a. Share capital

#### 1) Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	1,000,000	1,000,000	1,000,000
Authorized capital	\$10,000,000	\$10,000,000	\$10,000,000
Number of shares issued and fully paid (in thousands)	714,467	761,618	761,618
Shares issued	\$ 7,144,671	\$ 7,616,181	\$ 7,616,181

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

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

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

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

#### 2) Global depositary receipts

In June 2011, the Company increased its capital by listing its shares in the form of Global Depositary Receipts (GDRs). Each GDR was issued at US\$32.84 and represented 5 ordinary shares. The Company issued 6,700 thousand units of GDRs, representing 33,500 thousand ordinary shares.

According to the regulations of the competent authority, the holder of depositary receipts may request to be redeemed and circulated in the domestic securities exchange market, and foreign investors may request to reissue depositary receipts within the scope of the original issuance amount. As of September 30, 2022, December 31, 2021 and September 30, 2021, the outstanding GDRs were 311 thousand, 417 thousand and 448 thousand units respectively, equivalent to approximately 1,557 thousand, 2,084 thousand and 2,239 thousand common shares respectively.

### b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
<u>May be used to offset deficits, distributed as cash dividends, or transferred to share capital (Note)</u>			
Additional paid-in capital	\$ 6,918,728	\$ 7,375,327	\$ 7,229,828
Conversion premium	11,847,671	12,629,553	12,775,052
<u>May only be used to offset deficits</u>			

Donations from shareholders	<u>5,135</u>	<u>3,944</u>	<u>3,944</u>
	<u>\$18,771,534</u>	<u>\$20,008,824</u>	<u>\$20,008,824</u>

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

c. Retained earnings and dividends policy

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

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

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

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

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

is less than NT\$0.5.

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

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

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

	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 857,386	\$ 1,965,163
Special reserve	\$ 2,567,156	\$ 2,205,804
Cash dividends	\$ 7,297,531	\$ 9,139,417
Cash dividends per share (NT\$)	\$ 10	\$ 12

The Company’s Board of Directors resolved on April 6, 2022 and April 20, 2021, respectively, to distribute cash dividends; distribution of other retained earnings were also resolved at the shareholders’ meetings on May 27, 2022 and August 27, 2021, respectively.

d. Other equity

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

	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Opening balance	( \$ 16,859,133 )	( \$ 14,326,474 )
Exchange differences on translating the financial statements of foreign operations	<u>19,160,371</u>	( <u>3,050,721</u> )
Ending balance	<u>\$ 2,301,238</u>	( <u>\$ 17,377,195</u> )

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

	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Opening balance	( \$ 102,333 )	( \$ 67,836 )
Unrealized gain (loss)		
Equity instruments	( 23,809 )	( 52,339 )
Debt instruments	( 310,642 )	( 7,541 )
Reclassification adjustment		
Disposal of equity instruments	-	-
Disposal of debt instruments	209,432	( 1,278 )
Cumulative gain (loss) from disposing equity instruments transferred to retained earnings	( <u>28,778</u> )	( <u>501</u> )
Ending balance	<u>( \$ 256,130 )</u>	<u>( \$ 129,495 )</u>

e. Non-controlling interests

	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Opening balance	\$ 49,589	\$ 96,537
Current period net profit (loss)	( 6,017)	21,534
Other comprehensive income in the current period		
Exchange differences on translating the financial statements of foreign operations	4,925	( 1,991)
Distribution of earnings from subsidiaries	( 37,157)	( 66,734)
Ending balance	<u>\$ 11,340</u>	<u>\$ 49,346</u>

f. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Cancelled (In Thousands of Shares)</b>
Number of shares at January 1, 2022	21,567
Increase in current period	25,584
Decrease in current period	<u>47,151</u>
Number of shares at September 30, 2022	<u>-</u>
Number of shares at January 1, 2021	-
Increase in current period	<u>1,703</u>
Number of shares at September 30, 2021	<u>1,703</u>

To maintain the Company's credit and shareholders' equity, on April 6, 2022, the Company's Board of Directors resolved to buy back 25,000 thousand shares from April 7, 2022 to June 6, 2022 at a price ranging from NT\$102.20 per share to NT\$220.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, a total of 15,286 thousand shares were repurchased at a total cost of NT\$2,307,209 thousand.

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

To maintain the Company's credit and shareholders' equity, on September 16, 2021, the Company's Board of Directors resolved to buy back 25,000 thousand shares from September 16, 2021 to November 15, 2021 at a price ranging from NT\$109.2 per share to NT\$256.8 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, the Company bought back 15,533 thousand shares at a total cost of NT\$2,533,309 thousand.

On February 24, 2022, the Company's Board of Directors approved a capital

reduction to cancel the Company's 31,865 thousand treasury shares, and the record date was February 28, 2022.

On August 8, 2022, the Company's Board of Directors approved a capital reduction to cancel the Company's 15,286 thousand treasury shares, and the record date was August 12, 2022.

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

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

## 25. REVENUE

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Revenue from contracts with customers				
Metal casing				
Sales revenue	\$ 8,670,347	\$ 9,850,877	\$21,161,136	\$32,848,355
Rental income	<u>4,678</u>	<u>16,768</u>	<u>13,273</u>	<u>50,578</u>
	<u>\$ 8,675,025</u>	<u>\$ 9,867,645</u>	<u>\$21,174,409</u>	<u>\$32,898,933</u>

### a. Contract information

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

### b. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Trade receivables				
Gross carrying amount	\$ 9,587,299	\$ 9,722,596	\$ 13,124,285	\$ 17,374,684
Less: Allowance for impairment loss	( <u>8,438</u> )	( <u>57,183</u> )	( <u>57,183</u> )	( <u>57,183</u> )
	<u>\$ 9,578,861</u>	<u>\$ 9,665,413</u>	<u>\$ 13,067,102</u>	<u>\$ 17,317,501</u>
Contract liabilities - current				
Sale of goods	<u>\$ 73,204</u>	<u>\$ 32,742</u>	<u>\$ 58,096</u>	<u>\$ 12,545</u>

## 26. NET PROFIT

### a. Interest income

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Bank deposits	\$ 1,476,297	\$ 174,334	\$ 2,160,595	\$ 578,679
Investments in debt instruments at FVTOCI	30,461	18,819	113,396	18,819
Repurchase agreements	<u>439</u>	<u>1,527</u>	<u>3,161</u>	<u>4,539</u>
	<u>\$ 1,507,197</u>	<u>\$ 194,680</u>	<u>\$ 2,277,152</u>	<u>\$ 602,037</u>



b. Other income

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Government grants	\$ 43,348	\$ 42,354	\$ 852,824	\$1,692,965
Recycling income	7,836	47,099	46,686	158,938
Dividend income	46,673	52,921	97,883	52,921
Other income	1,061	1,420	4,430	23,245
	<u>\$ 98,918</u>	<u>\$ 143,794</u>	<u>\$1,001,823</u>	<u>\$1,928,069</u>

c. Other gains and losses

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Gain (loss) on financial assets at FVTPL	( \$ 67,245 )	( \$ 37,314 )	( \$ 971,055 )	\$ 87,754
Loss from liquidation of subsidiaries	-	-	( 9,883 )	-
Gain (loss) from disposal of investment in debt instruments at FVTOCI	( 101,678 )	1,278	( 175,820 )	1,278
Others	15,992	9,884	45,132	13,862
	<u>( \$ 152,931 )</u>	<u>( \$ 26,152 )</u>	<u>( \$ 1,111,626 )</u>	<u>\$ 102,894</u>

d. Interest expense

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Interest on bank loans	\$ 202,674	\$ 119,061	\$ 473,832	\$ 347,759
Interest on lease liabilities	245	258	741	847
	<u>\$ 202,919</u>	<u>\$ 119,319</u>	<u>\$ 474,573</u>	<u>\$ 348,606</u>

e. Depreciation and amortization

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Depreciation by function				
Operating costs	\$ 724,283	\$ 997,914	\$2,329,854	\$3,385,398
Operating expenses	102,593	150,295	310,586	467,048
	<u>\$ 826,876</u>	<u>\$1,148,209</u>	<u>\$2,640,440</u>	<u>\$3,852,446</u>
Amortization by function				
Operating costs	\$ 3,385	\$ 6,084	\$ 11,396	\$ 21,504
Operating expenses	8,008	10,167	24,907	21,444
	<u>\$ 11,393</u>	<u>\$ 16,251</u>	<u>\$ 36,303</u>	<u>\$ 42,948</u>

f. Operating expenses directly related to investment properties

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Direct operating expenses from investment properties generating rental income	<u>\$ 2,709</u>	<u>\$ 11,316</u>	<u>\$ 6,713</u>	<u>\$ 34,149</u>

g. Employee benefits

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Short-term employee benefits	\$2,169,064	\$2,626,724	\$6,354,362	\$8,280,479
Retirement benefits				
Defined contribution plan	145,320	165,193	404,417	446,319
Defined benefit plan (Note 23)	557	542	1,670	1,575
	<u>145,877</u>	<u>165,735</u>	<u>406,087</u>	<u>447,894</u>
	<u>\$2,314,941</u>	<u>\$2,792,459</u>	<u>\$6,760,449</u>	<u>\$8,728,373</u>
By function				
Operating costs	\$1,758,934	\$2,115,823	\$5,037,909	\$6,742,957
Operating expenses	556,007	676,636	1,722,540	1,985,416
	<u>\$2,314,941</u>	<u>\$2,792,459</u>	<u>\$6,760,449</u>	<u>\$8,728,373</u>

h. Compensation of employees and remuneration of directors

The Company allocates the compensation of employees and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax and before allocating the compensation of employees and remuneration of directors. Estimated compensation of employees and remuneration of directors from July 1 to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021 are as follows:

Accrual rate

	January 1 to September 30, 2022	January 1 to September 30, 2021
Compensation of employees	1.00%	7.64%
Remuneration of directors	0.11%	0.21%

Amount

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Compensation of employees	\$ 59,717	\$ 158,839	\$ 126,175	\$ 448,364
Remuneration of directors	\$ 4,550	\$ 4,250	\$ 13,650	\$ 12,150

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

The compensation of employees and remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's Board of Directors on February 24, 2022 and March 10, 2021, respectively, were as follows:

	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 521,976	\$ -	\$ 1,164,883	\$ -
Remuneration of directors	\$ 16,400	-	\$ 15,523	-

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

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

i. Foreign exchange gains (losses), net

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Foreign exchange gains	\$ 5,934,153	\$ 172,408	\$15,460,732	\$ 2,690,214
Foreign exchange losses	( 413,219 )	( 146,618 )	( 4,473,731 )	( 4,504,517 )
Net income (loss)	<u>\$ 5,520,934</u>	<u>\$ 25,790</u>	<u>\$10,987,001</u>	<u>( \$ 1,814,303 )</u>

## 27. TAXATION

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Current tax				
Tax recognized in the current period	\$1,529,663	\$ 71,499	\$2,461,519	\$1,193,539
Tax on unappropriated earnings	-	30	-	340,711
Adjustment for prior years	-	( 1,379 )	( 70,973 )	( 23,174 )
	<u>1,529,663</u>	<u>70,150</u>	<u>2,390,546</u>	<u>1,511,076</u>
Deferred tax				
Tax recognized in the current period	<u>2,147,721</u>	<u>416,493</u>	<u>3,251,690</u>	<u>936,113</u>
Income tax expense recognized in profit or loss	<u>\$3,677,384</u>	<u>\$ 486,643</u>	<u>\$5,642,236</u>	<u>\$ 2,447,189</u>

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

b. Income tax assessment

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

## 28. EARNINGS PER SHARE

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

Net profit

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Profit for the year attributable to owners of the Company	<u>\$ 5,046,284</u>	<u>\$ 2,009,924</u>	<u>\$10,615,903</u>	<u>\$ 5,204,455</u>

## Number of shares

	In thousand shares			
	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Weighted average number of ordinary shares in computation of basic earnings per share	714,467	761,555	722,184	761,597
Potential dilution of ordinary shares:				
Compensation of employees	<u>732</u>	<u>2,677</u>	<u>1,428</u>	<u>4,194</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>715,199</u>	<u>764,232</u>	<u>723,612</u>	<u>765,791</u>

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

## **29. DISPOSALS OF SUBSIDIARIES**

On November 10, 2021, the Group signed an agreement to dispose of its Suzhou subsidiaries (Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd.) The Group completed the disposal on December 3, 2021 and lost control of these subsidiaries.

### **a. Consideration received from disposals**

	<b>Suzhou Subsidiaries</b>
Cash and cash equivalents	\$ <u>5,547,314</u>

b. Analysis of assets and liabilities where control was lost

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

c. Gains on disposal of subsidiaries

	<u>Suzhou Subsidiaries</u>
Consideration received from disposals	\$ 5,547,314
Net assets disposed of	( 1,812,542 )
Cumulative exchange differences from reclassifying subsidiaries disposed of to profit or loss from equity	( 920,542 )
Related fees and taxes	( 31,862 )
Gains on disposal (recognized as other gains and losses)	2,782,368
Less: Capital gains tax (recognized as income tax expense)	498,481
Net gains on disposals	<u>\$ 2,283,887</u>

d. Net cash inflow on disposals of subsidiaries

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

### 30. CAPITAL MANAGEMENT

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

### 31. FINANCIAL INSTRUMENTS

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

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

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

##### 1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	\$ 848,593	\$ -	\$ -	\$ 848,593
Beneficiaries certificates	53,243	-	-	53,243
Simple Agreement for Future Equity (SAFE)	-	-	85,725	85,725
Private equity funds	-	-	1,129,497	1,129,497
Private equity securities	-	-	31,573	31,573
Limited partnerships	-	-	150,814	150,814
	<u>\$ 901,836</u>	<u>\$ -</u>	<u>\$ 1,397,609</u>	<u>\$ 2,299,445</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)				
Listed shares and emerging market shares	\$ 115,183	\$ -	\$ -	\$ 115,183
Stock not listed on the exchange, OTC, or emerging stock market	-	-	55,020	55,020
Limited partnerships	-	-	938,764	938,764
Investments in debt instruments at FVTOCI				
Bonds	-	1,905,709	-	1,905,709
	<u>\$ 115,183</u>	<u>\$ 1,905,709</u>	<u>\$ 993,784</u>	<u>\$ 3,014,676</u>

## December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	\$ 1,744,446	\$ -	\$ -	\$ 1,744,446
Beneficiaries certificates	2,223,491	-	-	2,223,491
Simple Agreement for Future Equity (SAFE)	-	-	74,736	74,736
Private equity funds	-	-	661,216	661,216
Private equity securities	-	-	90,286	90,286
Limited partnerships	-	-	132,557	132,557
	<u>\$ 3,967,937</u>	<u>\$ -</u>	<u>\$ 958,795</u>	<u>\$ 4,926,732</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)				
Listed shares and emerging market shares	\$ 1,870,987	\$ -	\$ -	\$ 1,870,987
Stock not listed on the exchange, OTC, or emerging stock market	-	-	36,240	36,240
Limited partnerships	-	-	822,906	822,906
Investments in debt instruments at FVTOCI				
Bonds	-	4,571,199	-	4,571,199
	<u>\$ 1,870,987</u>	<u>\$ 4,571,199</u>	<u>\$ 859,146</u>	<u>\$ 7,301,332</u>

## September 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	\$ 1,505,348	\$ -	\$ -	\$ 1,505,348
Beneficiaries certificates	3,738,113	-	-	3,738,113
Simple Agreement for Future Equity (SAFE)	-	-	75,195	75,195
Private equity funds	-	-	751,100	751,100
Limited partnerships	-	-	118,000	118,000
	<u>\$ 5,243,461</u>	<u>\$ -</u>	<u>\$ 944,295</u>	<u>\$ 6,187,756</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)				
Listed shares and emerging market shares	\$ 798,143	\$ -	\$ -	\$ 798,143
Stock not listed on the exchange, OTC, or emerging stock market	-	-	36,540	36,540
Limited partnerships	-	-	682,608	682,608
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	-	3,938,292	-	3,938,292
	<u>\$ 798,143</u>	<u>\$ 3,938,292</u>	<u>\$ 719,148</u>	<u>\$ 5,455,583</u>

2) Reconciliation of Level 3 fair value measurements of financial instruments  
January 1 to September 30, 2022

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity Instruments	Equity Instruments	Total
Financial assets			
Opening balance	\$ 958,795	\$ 859,146	\$ 1,817,941
Purchases	363,423	-	363,423
Recognized in profit or loss (included in other gains and losses)	( 70,151 )	-	( 70,151 )
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	11,087	11,087
Effects of foreign currency exchange differences	145,542	123,551	269,093
Ending balance	<u>\$ 1,397,609</u>	<u>\$ 993,784</u>	<u>\$ 2,391,393</u>

January 1 to September 30, 2021

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity Instruments	Equity Instruments	Total
Financial assets			
Opening balance	\$ -	\$ 652,880	\$ 652,880
Purchases	841,624	144,556	986,180
Recognized in profit or loss (included in other gains and losses)	105,682	-	105,682
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	( 63,127 )	( 63,127 )
Effects of foreign currency exchange differences	( 3,011 )	( 15,161 )	( 18,172 )
Ending balance	<u>\$ 944,295</u>	<u>\$ 719,148</u>	<u>\$ 1,663,443</u>

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

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

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

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

c. Categories of financial instruments



	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
Financial assets measured at FVTPL			
Mandatorily measured at FVTPL	\$ 2,299,445	\$ 4,926,732	\$ 6,187,756
Financial assets measured at amortized cost (Note 1)	236,469,616	207,222,225	206,537,962
Financial assets measured at FVTOCI			
Investments in equity instruments	1,108,967	2,730,133	1,517,291
Investments in debt instruments	1,905,709	4,571,199	3,938,292
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	87,451,264	87,505,382	88,780,005

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

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

d. Objectives and policies of financial risk management

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

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

1) Market risk

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

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

a) Foreign currency risk

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

Refer Note 35 for the carrying amounts of the Group's non-functional currency-denominated monetary assets and monetary liabilities (including the non-functional currency-denominated monetary items

eliminated on consolidation) at the end of the reporting period.

#### Sensitivity analysis

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

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

	<b>USD Impact</b>	
	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Income (loss)	\$ 870,737	\$ 843,493

  

	<b>RMB Impact</b>	
	<b>January 1 to September 30, 2022</b>	<b>January 1 to September 30, 2021</b>
Income (loss)	( \$ 641 )	\$ 29,894

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

The increase and decrease in the sensitivity of the Group to the exchange rates of USD and RMB during the current period was mainly due to the increase and the decrease in the net assets denominated in USD and RMB. The Group's management believes that the sensitivity analysis cannot represent the inherent risk of exchange rates, because the foreign currency exposure at the reporting date cannot reflect the mid-term risk exposure, where the USD-denominated sales would vary with customer orders and investment assets.

#### b) Interest rate risk

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

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

	September 30, 2022	December 31, 2021	September 30, 2021
Interest rate risk with fair value			
Financial assets	\$ 224,075,993	\$ 185,696,367	\$ 176,069,546
Financial liabilities	134,490	140,041	143,622
Interest rate risk with cash flow			
Financial assets	3,995,798	11,352,246	17,057,386
Financial liabilities	78,737,726	78,031,726	79,231,726

### Sensitivity analysis

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

If interest rates move 10 basis points higher/lower with all other variables held constant, the Group's profit before tax for the period from January 1 to September 30 in 2022 and 2021 would decrease/increase by NT\$56,056 thousand and NT\$46,631 thousand, respectively; the change would have been mainly attributable to the Group's exposure to interest rates with cash flow on its variable-rate bank borrowings.

#### c) Other price risk

The Group has equity price exposure due to its investment in listed equity securities and beneficial certificates of mutual funds, and has managed the underlying risks via holding different investment portfolios and asset allocation.

### Sensitivity analysis

The sensitivity analysis below was conducted based on the exposure to equity price risks at the end of the reporting period.

If the equity price increases/decreases by 1%, the Group's profit before tax for the period from January 1 to September 30 in 2022 and 2021 would increase/decrease by NT\$9,018 thousand and NT\$52,435 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit and loss (FVTPL), and its other comprehensive profit and loss before tax for the period from January 1 to September 30 in 2022 and 2021 will increase/decrease by NT\$1,152 thousand and NT\$7,981 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income (FVTOCI).

## 2) Credit risk

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

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

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

	September 30, 2022		December 31, 2021		September 30, 2021	
	Amount	%	Amount	%	Amount	%
Customer A	\$ 3,999,489	42	\$ 2,913,268	30	\$ 6,575,251	50
Customer B	1,813,274	19	2,727,725	28	2,482,052	19
Customer C	1,795,004	19	2,100,204	22	1,995,319	15
Customer D	-	-	651,548	7	493,060	4

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

### a) Liquidity and interest rate risk table for non-derivative financial liabilities

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

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

### September 30, 2022

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 6,986,350	\$ 1,717,693	\$ 9,536	\$ -
Lease liabilities	1,924	9,816	27,142	120,700
Variable interest rate instruments	<u>12,815,528</u>	<u>66,487,568</u>	<u>-</u>	<u>-</u>
	<u>\$19,803,802</u>	<u>\$68,215,077</u>	<u>\$ 36,678</u>	<u>\$ 120,700</u>

### Maturity analysis of the above lease liabilities:

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>15-20 Years</u>	<u>Over 20 Years</u>
Lease liabilities	<u>\$ 11,740</u>	<u>\$ 27,142</u>	<u>\$ 22,428</u>	<u>\$ 22,428</u>	<u>\$ 44,445</u>	<u>\$ 31,399</u>

### December 31, 2021

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 7,628,317	\$ 1,836,563	\$ 8,776	\$ -
Lease liabilities	2,495	11,611	22,374	116,896
Variable interest rate instruments	<u>40,388,313</u>	<u>37,837,915</u>	<u>-</u>	<u>-</u>
	<u>\$48,019,125</u>	<u>\$39,686,089</u>	<u>\$ 31,150</u>	<u>\$ 116,896</u>

### Maturity analysis of the above financial liabilities:

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>15-20 Years</u>	<u>Over 20 Years</u>
Lease liabilities	<u>\$ 14,106</u>	<u>\$ 22,374</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 42,643</u>	<u>\$ 33,001</u>

### September 30, 2021

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 7,408,072	\$ 2,118,891	\$ 21,316	\$ -
Lease liabilities	2,495	12,962	24,869	116,896
Variable interest rate instruments	<u>63,773,800</u>	<u>15,579,443</u>	<u>-</u>	<u>-</u>
	<u>\$71,184,367</u>	<u>\$17,711,296</u>	<u>\$ 46,185</u>	<u>\$ 116,896</u>

### Maturity analysis of the above financial liabilities:

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>15-20 Years</u>	<u>Over 20 Years</u>
Lease liabilities	<u>\$ 15,457</u>	<u>\$ 24,869</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 42,643</u>	<u>\$ 33,001</u>

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

b) Financing facilities

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loan facilities			
Amount used	\$ 72,170,773	\$ 78,384,829	\$ 79,519,286
Amount unused	<u>40,101,760</u>	<u>18,968,953</u>	<u>11,842,371</u>
	<u>\$ 112,272,533</u>	<u>\$ 97,353,782</u>	<u>\$ 91,361,657</u>
Secured bank loan facilities			
Amount used	\$ 7,000,000	\$ -	\$ -
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

### 32. TRANSACTIONS WITH RELATED PARTIES

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

Compensation of key management personnel

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Short-term employee benefits	\$ 52,067	\$ 85,777	\$ 156,200	\$ 257,331
Retirement benefits	<u>7,324</u>	<u>7,485</u>	<u>21,972</u>	<u>22,457</u>
	<u>\$ 59,391</u>	<u>\$ 93,262</u>	<u>\$ 178,172</u>	<u>\$ 279,788</u>

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

### 33. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Pledged certificates of deposits (classified as financial assets at amortized cost - current)	<u>\$ 7,988,400</u>	<u>\$ -</u>	<u>\$ -</u>

### 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments of the Group are as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Acquisition of property, plant and equipment	\$ 315,755	\$ 113,324	\$ 146,263
Acquisition of inventories	\$ 64,203	\$ 105,067	\$ 156,991

### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2022

<b>Financial Assets</b>	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Monetary items</u>			
USD	\$ 2,179,323	31.70 (USD:NTD)	\$ 69,084,547
USD	648,694	7.0998 (USD:RMB)	19,777,817
RMB	152,466	4.448 (RMB:NTD)	678
<b>Financial Liabilities</b>			
<u>Monetary items</u>			
USD	17,487	31.80 (USD:NTD)	556,087
USD	40,428	7.0996 (USD:RMB)	1,232,559
RMB	14,412	4.4980 (RMB:NTD)	64,823

December 31, 2021

<b>Financial Assets</b>	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Monetary items</u>			
USD	\$ 2,476,972	27.63 (USD:NTD)	\$ 68,438,741
USD	580,509	6.3757 (USD:RMB)	15,893,872
RMB	61,535	4.319 (RMB:NTD)	265,769
RMB	1,450,686	0.1568 (RMB:USD)	6,334,970
<b>Financial Liabilities</b>			
<u>Monetary items</u>			
USD	33,236	27.72 (USD:NTD)	921,327
USD	52,725	6.3757 (USD:RMB)	1,443,575
RMB	6,824	4.3690 (RMB:NTD)	29,813

September 30, 2021

<b>Financial Assets</b>	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Monetary items</u>			
USD	\$ 2,565,075	27.8 (USD:NTD)	\$ 71,309,095
USD	557,686	6.4854 (USD:RMB)	15,531,706
RMB	199,362	4.2800 (RMB:NTD)	853,268
RMB	501,890	0.1542 (RMB:USD)	2,155,350
<b>Financial Liabilities</b>			
<u>Monetary items</u>			
USD	27,421	27.9 (USD:NTD)	765,036
USD	61,993	6.4854 (USD:RMB)	1,726,506
RMB	4,436	4.33 (RMB:NTD)	19,210



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

Foreign Currency	July 1 to September 30, 2022		July 1 to September 30, 2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.404 (USD:NTD)	( \$ 60 )	27.858 (USD:NTD)	\$ 50,069
NTD	1 (NTD:NTD)	4,478,875	1 (NTD:NTD)	( 79,068 )
RMB	4.4517 (RMB:NTD)	1,042,119	4.3055 (RMB:NTD)	54,789
		<u>\$ 5,520,934</u>		<u>\$ 25,790</u>

  

Foreign Currency	January 1 to September 30, 2022		January 1 to June 30, 2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.284 (USD:NTD)	\$ 19,485	28.067 (USD:NTD)	\$ 9,071
NTD	1 (NTD:NTD)	9,072,273	1 (NTD:NTD)	( 1,662,234 )
RMB	4.4384 (RMB:NTD)	1,895,243	4.338 (RMB:NTD)	( 161,140 )
		<u>\$ 10,987,001</u>		<u>( \$ 1,814,303 )</u>

### 36. SEPARATELY DISCLOSED ITEMS

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

repatriations of investment income or loss, and limitation of investment in the Mainland China area (Table 8)

- 2) Prices, payment terms, and unrealized gains or losses of the following significant transactions with investee companies in Mainland China, directly or indirectly through a third party (Tables 1, 2, 5, 6 and 9)
  - a) Purchases - the amount and percentage of purchases as well as the balance and percentage of the related payables at the end of the period
  - b) Sales - the amount and percentage of sales as well as the balance and percentage of the related receivables at the end of the period
  - c) Property transactions - the amount of transactions and the amount of the resultant gains or losses
  - d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period as well as the underlying purposes
  - e) Financing - the highest balance during the period, the balance at the end of the period, the range of the interest rates applied, and total amount of interest charged for the current period
  - f) Others - the transactions with material effect on profit or loss for the current period or on the Company's financial status, such as rendering or reception of services
- d. Information of major shareholders: name, the number of shares owned, and percentage of ownership of each shareholder with ownership of 5% or greater. (N/A)

### **37. SEGMENT INFORMATION**

For the purpose of resource allocation and performance assessment, the Group's operating decision maker reviews operating results and financial information on a plant by plant basis with a focus on the operating results of each plant. As each plant shares similar economic characteristics, produces similar products using similar manufacturing process and all products are distributed and sold to same-level customers through a centralized sales function, the Group's operating segments are aggregated into a single reportable segment. The Group's operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income from July 1 to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021, and information on assets is referenced from the consolidated balance sheets as of September 30, 2022 and 2021.

**TABLE 1****CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES****LOANING OF FUNDS TO OTHERS  
JANUARY 1 TO SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Lender	Borrower	Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Limit of Loaning of Funds for Each Borrower (Note 1)	Limit of Aggregate Amount of Loans (Note 2)
													Item	Value		
1	Catcher Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	\$ 873,000	<u>\$ -</u>	\$ -	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 848,976,200	<u>\$ 848,976,200</u>
2	Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	611,100	<u>\$ -</u>	-	1.5	For short-term financing	-	Operating capital	-	-	-	848,976,200	<u>\$ 848,976,200</u>
3	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	635,000	<u>\$ 635,000</u>	-	-	For short-term financing	-	Operating capital	-	-	-	848,976,200	<u>\$ 848,976,200</u>
4	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	952,500	<u>\$ 952,500</u>	-	-	For short-term financing	-	Operating capital	-	-	-	848,976,200	<u>\$ 848,976,200</u>

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

Note 2: In accordance with the provisions of the Regulations Governing Loaning of Funds, the aggregate amount of inter-company loaning of funds between overseas companies in which the Company holds, directly or indirectly, 100% of shares shall be limited to no more than 500% of the Company's net worth as of the end of the period. Such of loans between domestic subsidiaries shall be limited to no more than 40% of the subsidiary's net worth as of the end of the period.

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

Table 2

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
JANUARY 1 TO SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance of Endorsement/ Guarantee	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	\$ 84,897,620	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 169,795,240</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	84,897,620	13,527	<u>\$ 13,416</u>	<u>\$ 13,416</u>	<u>\$ -</u>	0.01	<u>\$ 169,795,240</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	84,897,620	13,527	<u>\$ 13,416</u>	<u>\$ 13,416</u>	<u>\$ -</u>	0.01	<u>\$ 169,795,240</u>	N	N	Y
3	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	84,897,620	511,338	<u>\$ 379,669</u>	<u>\$ 379,669</u>	<u>\$ -</u>	0.24	<u>\$ 169,795,240</u>	N	N	Y
4	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	84,897,620	16,546	<u>\$ 16,546</u>	<u>\$ 16,546</u>	<u>\$ -</u>	0.01	<u>\$ 169,795,240</u>	N	N	Y

Note 1: Endorsements/guarantees for a single enterprise by the Company and its foreign subsidiaries shall be limited to no more than 50% of the Company's net worth at the end of the period.

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

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

Table 3

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

(NTS'000 or Other Foreign Currencies in Thousands)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Issuing Company	Account	End of Period				Note
				Number of Shares	Book Value	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., Ltd.	LISTED SHARES							
	Jentech Precision Industrial Co., Ltd.	None	Financial assets at FVTPL - current	13,594	\$ 5,186	0.01	\$ 5,186	
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	189,219	6.95	189,219	
	Bora Pharmaceuticals Co., Ltd.	None	Financial assets at FVTPL - current	6,427	2,105	0.01	2,105	
	<u>BENEFICIARY CERTIFICATES</u>							
	Fuh Hwa Money Market Fund	None	Financial assets at FVTPL - current	3,647,359	53,243		53,243	
Ke Yue Co., Ltd.	<u>UNLISTED SHARES</u>							
	AlphaInfo Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	55,020	3.57	55,020	
	LISTED SHARES							
	Delta Electronics, Inc.	None	Financial assets at FVTPL - current	50,000	12,650	-	12,650	
	King's Town Bank	None	Financial assets at FVTPL - current	87,000	2,932	0.01	2,932	
	The Clorox Company	None	Financial assets at FVTPL - current	10,261	41,828	0.01	41,828	
	Intel Corporation	None	Financial assets at FVTPL - current	65,740	53,788	-	53,788	
	Verizon Communications Inc.	None	Financial assets at FVTPL - current	152,555	183,912	-	183,912	
	3M Company	None	Financial assets at FVTPL - current	17,773	62,354	-	62,354	
	Microsoft Corporation	None	Financial assets at FVTPL - current	3,745	27,693	-	27,693	
	Medtronic PLC	None	Financial assets at FVTPL - current	3,400	8,717	-	8,717	
	American Tower Corporation	None	Financial assets at FVTPL - current	2,270	15,474	-	15,474	
	Kimberly-Clark Corporation	None	Financial assets at FVTPL - current	23,558	84,176	0.01	84,176	
	The Goldman Sachs Group, Inc.	None	Financial assets at FVTPL - current	4,923	45,805	-	45,805	
	Unilever PLC	None	Financial assets at FVTPL - current	64,865	90,287	-	90,287	
	V.F. Corporation	None	Financial assets at FVTPL - current	23,658	22,467	0.01	22,467	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	6,212	0.23	6,212	
	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	270,000	25,380	0.56	25,380	
	<u>LIMITED PARTNERSHIP</u>							
Yi De Co., Ltd.	Taiwania Capital Buffalo Fund V, L.P.	None	Financial assets at FVTPL - non-current	-	94,778	12.78	94,778	Note 3
	MESH Cooperative Ventures Fund L.P.	None	Financial assets at FVTPL - non-current	-	56,036	7.39	56,036	Note 3
	<u>LISTED SHARES</u>							
	Excelsior Medical Co., Ltd.	None	Financial assets at FVTOCI - current	20,000	1,280	0.01	1,280	
Yi Sheng Co., Ltd.	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	21,833	0.81	21,833	
	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	489,000	45,966	1.01	45,966	
	<u>LISTED SHARES</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	3,045	0.11	3,045	
Nanomag International Co., Ltd.	INTAI Technology Corp.	None	Financial assets at FVTOCI - current	122,000	11,468	0.25	11,468	
	<u>LIMITED PARTNERSHIP</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 29,567	23.51	USD 29,567	Note 3
	<u>CORPORATE BONDS</u>							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 972		USD 972	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	1,000,000	USD 952		USD 952	
	AIRCASTLE LTD.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 942		USD 942	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 969		USD 969	
	BAT CAPITAL CORP.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,444		USD 1,444	
	BACARDI LTD.	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,551		USD 1,551	
	CANADIAN NATURAL RESOURCES LTD.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,469		USD 1,469	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,018		USD 1,018	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 915		USD 915	
	DUKE ENERGY OHIO INC.	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,060		USD 1,060	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	1,600,000	USD 1,569		USD 1,569	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 974		USD 974	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,756		USD 1,756	
	DELTA AIR LINES INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 934		USD 934	
	DELTA AIR LINES INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,013		USD 1,013	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,893		USD 1,893	

(Continued)

(Continued from previous page)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Issuing Company	Account	End of Period				Note
				Number of Shares	Book Value	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,369		USD 1,369	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,754		USD 1,754	
	EQT CORP.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 913		USD 913	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,023		USD 1,023	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,020		USD 1,020	
	EXPEDIA INC.	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,178		USD 1,178	
	EXPEDIA GROUP INC.	None	Financial assets at FVTOCI - non-current	800,000	USD 806		USD 806	
	GENERAL MOTORS FINANCIAL CO INC.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,440		USD 1,440	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 990		USD 990	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	1,000,000	USD 959		USD 959	
	HCA INC.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,492		USD 1,492	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,034		USD 1,034	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,928		USD 1,928	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,413		USD 1,413	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 532		USD 532	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,452		USD 1,452	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,341		USD 1,341	
	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 989		USD 989	
	NRG ENERGY INC.	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,636		USD 1,636	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 681		USD 681	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	810,000	USD 773		USD 773	
	PARK AEROSPACE HOLDINGS LTD.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 979		USD 979	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	1,000,000	USD 986		USD 986	
	SANTANDER HOLDINGS USA INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 970		USD 970	
	SCHLUMBERGER HOLDINGS CORP.	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,473		USD 1,473	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,807		USD 1,807	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	1,370,000	USD 1,325		USD 1,325	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 992		USD 992	
	SUNOCO LOGISTICS PARTNERS OPERATION	None	Financial assets at FVTOCI - non-current	750,000	USD 735		USD 735	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 976		USD 976	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	367,000	USD 347		USD 347	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 975		USD 975	
	VICI PROPERTIES LP/VICI NOTE CO INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 901		USD 901	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 953		USD 953	
	VMWARE INC.	None	Financial assets at FVTOCI - non-current	1,000,000	USD 978		USD 978	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,474		USD 1,474	
	<u>SIMPLE AGREEMENT for FUTURE EQUITY (SAFE)</u>							
	ViaSurgical Ltd.	None	Financial assets at FVTPL - non-current	-	USD 1,700		USD 1,700	
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	-	USD 1,000		USD 1,000	
	<u>PRIVATE EQUITY FUND</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 18,732	2.54	USD 18,732	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 9,674	25.32	USD 9,674	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 2,181	5.21	USD 2,181	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,249	14.37	USD 1,249	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 3,738	0.38	USD 3,738	Note 3
	<u>PRIVATE EQUITY SECURITIES</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	-	USD 994	13.33	USD 994	Note 3

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

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

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

Table 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUIRING OR DISPOSING OF THE SAME MARKETABLE SECURITIES WITH THE CUMULATIVE TRANSACTION AMOUNT OF NT\$300 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL.  
JANUARY 1 TO SEPTEMBER 30, 2022  
(NT\$'000 or Other Foreign Currencies in Thousands)

Company Name	Type and Name of Marketable Securities	Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Price	Book Value	Disposal (Loss) Profit	Number of Shares	Amount
Ke Yue Co., Ltd.	Beneficiary Certificates UPAMC JAMES BOND MONEY MARKET FUND	Financial assets at FVTPL - current	—	—	35,598,056.18	\$ 600,621	-	\$ -	35,598,056.18	\$ 601,066	\$ 600,040	\$ 1,026	-	\$ -

Table 5

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL  
JANUARY 1 TO SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

Buyer (Seller)	Transaction Counterparty	Relationship	Transaction Details				Reasons for Unusual Transactions		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology Co., Ltd.	Next Level Ltd.	Subsidiary	Purchases	\$ 1,316,160	46	Settled monthly; credit on 30-120 days	No selling prices of similar products for comparison	Equivalent	( \$ 51,328 )	10	
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	( 212,123 )	6	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	150,165	5	
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	( 2,383,025 )	64	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	2,070,735	69	
			Purchases	109,996	35	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	( 67,140 )	11	
						Settled monthly; credit on 30-120 days	Equivalent	Equivalent			
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	( 211,134 )	5	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	153,358	5	
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sale	( 2,343,506 )	55	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	1,891,506	61	
			Purchases	130,489	26	Settled monthly; credit on 30-120 days	Equivalent	Equivalent	( 92,962 )	13	
						Settled monthly; credit on 30-120 days	Equivalent	Equivalent			
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sale	( 1,311,365 )	100	Settled monthly; credit on 30-120 days	No selling prices of similar products for comparison	Equivalent	953,279	96	



Table 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR MORE, OR 20% OR MORE OF THE PAID-IN CAPITAL.  
SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

Company Name	Transaction Counterparty	Relationship	Ending Balance	Turnover Ratio (%)	Overdue		Amount Subsequently Recovered	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 521,173	- (Note)	\$ -	Not applicable	\$ -	\$ -
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	150,165 2,070,735	1.57 1.85	- -	Not applicable Not applicable	44 52,881	- -
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	153,358	1.79	-	Not applicable	-	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,891,506	1.43	-	Not applicable	-	-
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	953,279	1.77	-	Not applicable	165,624	-

Note: Receivables from processing; the turnover ratio is not applicable.

Table 7

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

JANUARY 1 TO SEPTEMBER 30, 2022

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

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Investment Amount at the End of Period			Net Income (Loss) of the Investee	Investment Income (Loss) (Note 1)	Note
				End of the Current Period	End of Last Year	Number of Shares	% Ownership	Book Value			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	\$ 484,941	\$ 484,941	14,377,642	100	\$ 1,979,057	\$ 909,558	\$ 909,558	
	Nanomag International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	1	1	30	100	173,781,151	2,556,013	2,666,618	
	Yue-Kang Health Control Technology Inc.	13F., No. 97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Health and medical treatment consultant	72,000	72,000	1,440,000	45	3,363	( 10,416)	( 4,687)	
	Ke Yue Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	3,000,000	3,000,000	198,390,000	100	2,860,244	( 102,837)	( 102,837)	
	Yi Sheng Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,057,956	46,365	46,365	
	Yi De Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,061,475	47,929	47,929	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	Manufacturing and selling medical devices	200,000	200,000	2,000,000	100	197,119	( 2,899)	( 2,899)	
	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United States	Investing activities	- ( USD 0 )	- ( USD 0 )	-	100	-	-	-	Note 3
Ke Yue Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	519,621	512,063	7,050,000	9.71	480,498	227,720		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	599,636	414,923	5,410,000	7.81	618,792	380,061		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	240,757	85,961	3,254,000	4.48	221,779	227,720		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	279,091	224,984	2,589,000	3.74	294,900	380,061		
Yi De Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2nd Rd., Hsinchu Science Park, Jiuhu Vil., Tongluo Township, Miaoli County, Taiwan	Biotechnology and Medical Care	295,411	252,336	4,047,000	5.57	275,826	227,720		
	Bioteque Corporation	5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Biotechnology and Medical Care	243,370	213,396	2,233,000	3.22	254,350	380,061		
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trade	- ( USD 0 )	279 ( USD 10,000 )	-	100	-	( 96)		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,127 ( USD 1,009,592 )	28,127 ( USD 1,009,592 )	1,009,592	100	159,015	12,478		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,251,725 ( USD 332,079,144 )	9,251,725 ( USD 332,079,144 )	332,079,144	100	16,894,557	( 1,388,604)		
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	31,203 ( USD 1,120,000 )	31,203 ( USD 1,120,000 )	1,050,000	75	34,018	( 24,068)		
	Uranus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,116,401 ( USD 399,009,383 )	11,116,401 ( USD 399,009,383 )	399,009,383	100	19,184,467	623,344		
	Norma International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,345,009 ( USD 299,533,691 )	8,345,009 ( USD 299,533,691 )	299,533,691	100	13,002,175	4,038,759		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	279 ( USD 10,000 )	279 ( USD 10,000 )	10,000	100	385,334	17,484		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 ( USD 55,165,797 )	1,536,919 ( USD 55,165,797 )	55,165,797	100	1,755,185	( 86,753)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	278,747 ( USD 10,005,259 )	278,747 ( USD 10,005,259 )	-	100	-	10,628		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	9,251,008 ( USD 332,053,412 )	9,251,008 ( USD 332,053,412 )	30	100	21,148	19,219		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,004 ( USD 1,400,000 )	39,004 ( USD 1,400,000 )	-	100	-	( 26,650)		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United States	Investing activities	- ( USD 0 )	- ( USD 0 )	-	100	-	-		Note 3

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

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

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

**Table 8**

**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
JANUARY 1 TO SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Current Period (Note 13)	Remittance of Funds		Accumulated Investment Amount Remitted from Taiwan at the End of the Current Period (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Book Value at the End of the Period	Repatriation of Investment Income as of the Current Period
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	\$ -	(2) Cygnus International Co., Ltd. (Note 8)	\$ 1,058,545 ( USD 33,340,000 )	\$ -	\$ -	\$ 1,058,545 ( USD 33,340,000 )	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Notes 4 and 5)	1,280,795 ( USD 40,340,000 )	-	-	1,280,795 ( USD 40,340,000 )	-	-	-	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	5,482,243
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	-
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied alloy products	-	(2) Cygnus International Co., Ltd. (Note 6)	-	-	-	-	-	-	-	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	6,350,000 ( USD 200,000,000 )	(2) Uranus International Co., Ltd. (Note 7)	3,016,218 ( USD 94,999,000 )	-	-	3,016,218 ( USD 94,999,000 )	194,504	100	259,115 (2)A.	9,790,111	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	6,031,502 ( RMB 409,431,280 ) ( USD 132,300,000 )	(2) Uranus International Co., Ltd. (Note 10)	-	-	-	-	332,473	100	364,315 (2)A.	9,481,937	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	6,189,100 ( RMB 398,499,193 ) ( USD 138,803,527 )	(2) Norma International Co., Ltd. (Note 11)	-	-	-	-	4,104,165	100	3,831,462 (2)A.	9,485,862	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied alloy products	3,099,582 ( RMB 188,956,820 ) ( USD 71,010,000 )	(2) Norma International Co., Ltd. (Note 16)	-	-	-	-	207,119	100	207,119 (2)A.	3,527,602	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling varied molds and electronic components	44,450 ( USD 1,400,000 )	(2) Cepheus International Co., Ltd. (Note 17)	35,560 ( USD 1,120,000 )	-	-	35,560 ( USD 1,120,000 )	675	75	675 (2)A.	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing electronic components	-	(2) Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	(2) Sagitta International Co., Ltd.	701,101 ( USD 22,081,923 )	-	-	701,101 ( USD 22,081,923 )	-	-	-	-	-

Accumulated Investment Amount Remitted from Taiwan to the Mainland China at the End of the Current Period (Note 13)	Investment Amounts Authorized by the Investment Commission, MOEA (Notes 13 and 14)	Upper Limit on the Amount of Investment in Mainlan China Stipulated by the Investment Commission, MOEA (Note 3)
\$ 6,092,219 ( USD 191,880,923 )	\$ 45,267,831 ( USD 1,053,727,978.39 ) ( RMB 2,641,316,560.48 )	\$ 101,883,948

Note 1: The methods of investment include:

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

Note 2: Investment income (loss) shall be:

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

Note 3: The upper limit on the Company's investment in Mainland China is calculated as  $\$169,806,580 \times 60\% = \$101,883,948$ .

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

Note 5: The paid-in capital of US\$30,000,000, which was the earnings distributed by Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., was then invested in Topo Technology (Suzhou) Co., Ltd, with the amount of US\$67,000,000 returned via capital reduction in the first quarter of 2016.

Note 6: The paid-in capital of US\$106,000,000, which was the earnings distributed by Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., was then invested in Meecca Technology (Suzhou Industrial Park) Co., Ltd., with capital increase of US\$16,670,000 out of earnings in the third quarter of 2011. The amount of US\$16,670,000 was returned via capital reduction in the fourth quarter of 2014 and the amount of US\$32,000,000 in the third quarter of 2016. Thereafter, the amount of US\$32,000,000 was returned via capital reduction in the second quarter of 2017, and the amount of US\$32,000,000 was returned via capital reduction in the third quarter of 2017.

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

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

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

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

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

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

Note 13: Calculated based on the USD to NTD exchange rate of 31.75 as at the end of period.

Calculated based on the RMB to NTD exchange rate of 4.472 as at the end of period.

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

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

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

Note 17: Aquila Technology (Suqian) Co., Ltd. was dissolved in February 2022; the remaining share capital has not yet been remitted back to Taiwan and therefore has not been deducted from the investment amount authorized by the Investment Commission, MOEA.

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
JANUARY 1 TO SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

No.	Company Name	Transaction Counterparty	Relationship (Note 1)	Transaction Details			
				Account	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	Catcher Technology Co., Ltd.	Next Level Ltd.	1	Purchases	\$ 1,316,160	No selling prices of similar products for comparison; settled monthly; credit on 30-120 days.	6.22
1	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	3	Payables to related parties	51,328		0.02
				Sales revenue	212,123	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	1.00
				Processing fees income	710,705	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	3.36
				Receivables from related parties	150,165		0.06
				Other receivables from related parties	521,173		0.19
2	Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	3	Sales revenue	2,383,025	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	11.25
				Processing expense	103,427	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.49
				Purchases	109,996	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.52
				Receivables from related parties	2,070,735		0.77
				Other payables to related parties	76,027		0.03
		Catcher Technology (Suqian) Co., Ltd.	3	Payables to related parties	67,140		0.03
				Sales revenue	211,134	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	1.00
				Receivables from related parties	153,358		0.06
				Sales revenue	2,343,506	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	11.07
				Processing expense	64,948	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.31
				Purchases	130,489	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.62
				Receivables from related parties	1,891,506		0.70
		Envio Technology (Suqian) Co., Ltd.	3	Payables to related parties	92,962		0.03
				Processing expense	99,623	Calculated based on general transaction prices; settled monthly; credit on 30-90 days.	0.47
				Other payables to related parties	61,024		0.02
3	Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	3	Sales revenue	1,311,365	No selling prices of similar products for comparison; settled monthly; credit on 30-120 days.	6.19
				Receivables from related parties	953,279		0.35

Note 1: The intercompany relationships include:

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

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

Table 10

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
JANUARY 1 TO SEPTEMBER 30, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Miscellaneous Equipment	Leasehold Improvement	Unfinished Construction and Equipment Pending Acceptance	Total
<u>Cost</u>									
Balance at January 1, 2022	\$ 2,577,548	\$ 15,919,559	\$ 53,309,912	\$ 151,685	\$ 2,174,579	\$ 3,778,489	\$ -	\$ -	\$ 77,911,772
Additions	-	27,383	84,477	39	29,346	185,436	-	-	326,681
Disposals	-	-	( 900,746 )	( 530 )	( 812 )	( 19,410 )	-	-	( 921,498 )
Reclassifications	( 507,107 )	( 19,575 )	72,110	-	995	1,318	-	-	( 452,259 )
Disposals of subsidiaries	-	-	-	-	-	( 21,523 )	-	-	( 21,523 )
Effect of foreign currency exchange difference	-	386,048	( 974,848 )	2,831	44,201	74,690	-	-	( 467,078 )
Balance at September 30, 2022	<u>\$ 2,070,441</u>	<u>\$ 16,313,415</u>	<u>\$ 51,590,905</u>	<u>\$ 154,025</u>	<u>\$ 2,248,309</u>	<u>\$ 3,999,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,376,095</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2022	\$ -	\$ 6,343,048	\$ 48,164,442	\$ 138,110	\$ 2,127,677	\$ 3,270,148	\$ -	\$ -	\$ 60,043,425
Depreciation expense	-	576,064	1,665,547	8,743	76,876	281,779	-	-	2,609,009
Disposals	-	-	( 791,804 )	( 330 )	( 812 )	( 19,151 )	-	-	( 812,097 )
Reclassifications	-	( 691 )	-	-	-	-	-	-	( 691 )
Disposals of subsidiaries	-	-	-	-	-	( 21,523 )	-	-	( 21,523 )
Effect of foreign currency exchange difference	-	174,719	( 1,078,471 )	2,515	39,954	63,342	-	-	( 797,941 )
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 7,093,140</u>	<u>\$ 47,959,714</u>	<u>\$ 149,038</u>	<u>\$ 2,243,695</u>	<u>\$ 3,574,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,020,182</u>
Net amount as of January 1, 2022	<u>\$ 2,577,548</u>	<u>\$ 9,576,511</u>	<u>\$ 5,145,470</u>	<u>\$ 13,575</u>	<u>\$ 46,902</u>	<u>\$ 508,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,868,347</u>
Net amount as of September 30, 2022	<u>\$ 2,070,441</u>	<u>\$ 9,220,275</u>	<u>\$ 3,626,191</u>	<u>\$ 4,987</u>	<u>\$ 9,614</u>	<u>\$ 424,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,355,913</u>
<u>Cost</u>									
Balance at January 1, 2021	\$ 2,179,324	\$ 18,944,392	\$ 54,185,876	\$ 157,114	\$ 2,207,868	\$ 3,615,781	\$ 271	\$ 132,738	\$ 81,423,364
Additions	398,224	64,147	194,077	675	9,795	196,588	-	16,762	880,268
Disposals	-	-	( 1,168,144 )	( 1,575 )	( 7,583 )	( 21,407 )	-	-	( 1,198,709 )
Reclassifications	-	84,001	75,057	143	( 11 )	( 25,114 )	-	( 83,176 )	50,900
Effect of foreign currency exchange difference	-	( 259,603 )	( 290,151 )	( 1,603 )	( 24,281 )	( 38,629 )	( 5 )	15	( 614,257 )
Balance at September 30, 2021	<u>\$ 2,577,548</u>	<u>\$ 18,832,937</u>	<u>\$ 52,996,715</u>	<u>\$ 154,754</u>	<u>\$ 2,185,788</u>	<u>\$ 3,727,219</u>	<u>\$ 266</u>	<u>\$ 66,339</u>	<u>\$ 80,541,566</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2021	\$ -	\$ 7,706,082	\$ 46,120,913	\$ 126,284	\$ 1,982,490	\$ 2,919,641	\$ 248	\$ -	\$ 58,855,658
Depreciation expense	-	746,610	2,574,169	13,309	145,573	307,371	23	-	3,787,055
Disposals	-	-	( 1,149,711 )	( 1,449 )	( 7,415 )	( 15,004 )	-	-	( 1,173,579 )
Reclassifications	-	-	-	-	( 46 )	46	-	-	-
Effect of foreign currency exchange difference	-	( 122,200 )	( 212,036 )	( 1,288 )	( 20,260 )	( 31,418 )	( 5 )	-	( 387,207 )
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 8,330,492</u>	<u>\$ 47,333,335</u>	<u>\$ 136,856</u>	<u>\$ 2,100,342</u>	<u>\$ 3,180,636</u>	<u>\$ 266</u>	<u>\$ -</u>	<u>\$ 61,081,927</u>
Net amount as of September 30, 2021	<u>\$ 2,577,548</u>	<u>\$ 10,502,445</u>	<u>\$ 5,663,380</u>	<u>\$ 17,898</u>	<u>\$ 85,446</u>	<u>\$ 546,583</u>	<u>\$ -</u>	<u>\$ 66,339</u>	<u>\$ 19,459,639</u>