

Catcher Technology Co., Ltd.

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, as of and for the years ended December 31, 2022 and 2021, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for some investees accounted for using the equity method, the share of profit of subsidiaries and associates, and the amount of share of comprehensive income of subsidiaries and associates, are based solely on the reports of other auditors. The total investment in these investees accounted for using the equity method were NT\$1,978,253 thousand and NT\$6,628,626 thousand, accounting for 0.85% and 2.76% of total assets as of December 31, 2022 and 2021, respectively; the total amount of the Company's share of profit of subsidiaries and associates were NT\$(220,590) and NT\$44,708 thousand, accounting for (1.78%) and 0.48%, of the Company's profit of before income tax for the years ended December 31, 2022 and 2021, respectively; the amount of share of comprehensive income of subsidiaries and associates were NT\$(218,131) thousand and NT\$115,737 thousand, accounting for (0.85)% and 1.93% of the Company's comprehensive income for the years ended December 31, 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 23, 2023

Notice to Readers

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

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

CATCHER TECHNOLOGY CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,481,935	4	\$ 14,091,058	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	189,736	-	3,217,706	1
Financial assets at amortized cost - current (Notes 4, 9 and 30)	23,233,136	10	28,965,935	12
Trade receivables (Notes 4, 10 and 23)	1,908,876	1	2,954,957	1
Trade receivables from related parties (Notes 4 and 29)	-	-	799	-
Other receivables (Notes 4 and 10)	188,431	-	281,015	-
Other receivables from related parties (Notes 4 and 29)	3,480,461	1	122,566	-
Current tax assets (Notes 4 and 25)	-	-	84,316	-
Inventories (Notes 4, 5, 11 and 31)	1,192,484	1	1,238,939	1
Other current assets (Note 17)	69,835	-	96,140	-
Total current assets	39,744,894	17	51,053,431	21
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	57,330	-	36,240	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,663,942	11	21,890,529	9
Investments accounted for using the equity method (Notes 4 and 12)	159,323,660	69	158,331,356	66
Property, plant and equipment (Notes 4, 13, 29 and 31)	5,572,648	2	6,966,460	3
Right-of-use assets (Notes 4 and 14)	169,727	-	173,014	-
Investment properties (Notes 4 and 15)	953,276	1	221,565	-
Intangible assets (Notes 4 and 16)	15,392	-	29,423	-
Deferred tax assets (Notes 4 and 25)	413,636	-	1,097,886	1
Other non-current assets (Note 17)	11,213	-	7,758	-
Total non-current assets	192,180,824	83	188,754,231	79
TOTAL	<u>\$ 231,925,718</u>	<u>100</u>	<u>\$ 239,807,662</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 30)	\$ 56,696,000	25	\$ 78,031,726	33
Contract liabilities - current (Notes 4 and 23)	42,803	-	32,742	-
Trade payables (Note 19)	304,650	-	640,865	-
Trade payables to related parties (Notes 19 and 29)	30,414	-	191,713	-
Other payables (Note 20)	3,060,972	1	3,990,515	2
Other payables to related parties (Note 29)	8,804	-	2,309	-
Current tax liabilities (Notes 4 and 25)	2,903,565	1	309,608	-
Lease liabilities - current (Notes 4 and 14)	5,923	-	8,514	-
Other current liabilities (Note 20)	16,959	-	19,910	-
Total current liabilities	63,070,090	27	83,227,902	35
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 25)	2,921,157	2	5,062,739	2
Lease liabilities - non-current (Notes 4 and 14)	126,297	-	124,534	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,569	-	6,578	-
Other non-current liabilities (Note 20)	10,036	-	8,776	-
Total non-current liabilities	3,064,059	2	5,202,627	2
Total liabilities	66,134,149	29	88,430,529	37
EQUITY (Note 22)				
Share capital - ordinary shares	7,144,671	3	7,616,181	3
Capital surplus	18,771,534	8	20,008,824	8
Retained earnings				
Legal reserve	22,354,680	10	21,497,294	9
Special reserve	16,961,466	7	14,394,310	6
Unappropriated earnings	102,803,702	44	108,287,799	45
Total retained earnings	142,119,848	61	144,179,403	60
Other equity	(2,244,484)	(1)	(16,961,466)	(7)
Treasury Shares	-	-	(3,465,809)	(1)
Total equity	165,791,569	71	151,377,133	63
TOTAL	<u>\$ 231,925,718</u>	<u>100</u>	<u>\$ 239,807,662</u>	<u>100</u>

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

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

CATCHER TECHNOLOGY CO., LTD.

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$ 8,306,338	100	\$ 14,030,564	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>6,727,278</u>	<u>81</u>	<u>12,238,987</u>	<u>87</u>
GROSS PROFIT	<u>1,579,060</u>	<u>19</u>	<u>1,791,577</u>	<u>13</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	187,388	2	202,050	2
General and administrative expenses	340,812	4	321,028	2
Research and development expenses	<u>422,848</u>	<u>5</u>	<u>471,552</u>	<u>3</u>
Total operating expenses	<u>951,048</u>	<u>11</u>	<u>994,630</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>628,012</u>	<u>8</u>	<u>796,947</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	1,128,250	14	289,551	2
Other income	89,928	1	73,621	-
Foreign exchange gains (losses), net	6,504,532	78	(2,005,282)	(14)
Other gains and losses	(760,587)	(9)	273,561	2
Interest expense	(703,860)	(9)	(480,516)	(4)
Share of profit of subsidiaries and associates	<u>5,493,049</u>	<u>66</u>	<u>10,336,983</u>	<u>74</u>
Total non-operating income and expenses	<u>11,751,312</u>	<u>141</u>	<u>8,487,918</u>	<u>60</u>
PROFIT BEFORE INCOME TAX	12,379,324	149	9,284,865	66
INCOME TAX EXPENSE (Notes 4 and 25)	<u>1,477,145</u>	<u>18</u>	<u>709,821</u>	<u>5</u>
NET PROFIT	<u>10,902,179</u>	<u>131</u>	<u>8,575,044</u>	<u>61</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	21,090	-	(47,940)	-
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method				
Shares of other equity of subsidiaries	<u>(52,654)</u>	<u>-</u>	<u>53,557</u>	<u>-</u>
	<u>(31,564)</u>	<u>-</u>	<u>5,617</u>	<u>-</u>

(Continued)

CATCHER TECHNOLOGY CO., LTD.

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

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 14,854,916	179	\$ (2,532,659)	(18)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	-	-	(41,301)	-
Share of the other comprehensive income of associates	(77,592)	(1)	-	-
	<u>14,777,324</u>	<u>178</u>	<u>(2,573,960)</u>	<u>(18)</u>
Other comprehensive loss for the year, net of income tax	<u>14,745,760</u>	<u>178</u>	<u>(2,568,343)</u>	<u>(18)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 25,647,939</u>	<u>309</u>	<u>\$ 6,006,701</u>	<u>43</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 15.14</u>		<u>\$ 11.31</u>	
Diluted	<u>\$ 15.11</u>		<u>\$ 11.24</u>	

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

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

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

STANDALONE STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Retained Earnings					Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	\$ (14,326,474)	\$ (67,836)	\$ (14,394,310)	\$ -	\$ 157,975,065
Appropriation of the 2020 earnings (Note 22)										
Legal reserve	-	-	1,965,163	-	(1,965,163)	-	-	-	-	-
Special reserve	-	-	-	2,205,804	(2,205,804)	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,139,417)	-	-	-	-	(9,139,417)
Overdue unclaimed dividends of shareholders	-	593	-	-	-	-	-	-	-	593
Net profit for the year ended December 31, 2021	-	-	-	-	8,575,044	-	-	-	-	8,575,044
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,532,659)	(35,684)	(2,568,343)	-	(2,568,343)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	8,575,044	(2,532,659)	(35,684)	(2,568,343)	-	6,006,701
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,187)	-	1,187	1,187	-	-
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(3,465,809)	(3,465,809)
BALANCE AT DECEMBER 31, 2021	7,616,181	20,008,824	21,497,294	14,394,310	108,287,799	(16,859,133)	(102,333)	(16,961,466)	(3,465,809)	151,377,133
Appropriation of the 2021 earnings (Note 22)										
Legal reserve	-	-	857,386	-	(857,386)	-	-	-	-	-
Special reserve	-	-	-	2,567,156	(2,567,156)	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,297,531)	-	-	-	-	(7,297,531)
Changes from investment in associates accounted for using equity method	-	-	-	-	(355)	-	-	-	-	(355)
Overdue unclaimed dividends of shareholders	-	1,192	-	-	-	-	-	-	-	1,192
Net profit for the year ended December 31, 2022	-	-	-	-	10,902,179	-	-	-	-	10,902,179
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	-	14,857,375	(111,615)	14,745,760	-	14,745,760
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,902,179	14,857,375	(111,615)	14,745,760	-	25,647,939
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	28,778	-	(28,778)	(28,778)	-	-
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(3,936,809)	(3,936,809)
Cancellation of treasury shares (Note 22)	(471,510)	(1,238,482)	-	-	(5,692,626)	-	-	-	7,402,618	-
BALANCE AT DECEMBER 31, 2022	\$ 7,144,671	\$ 18,771,534	\$ 22,354,680	\$ 16,961,466	\$ 102,803,702	\$ (2,001,758)	\$ (242,726)	\$ (2,244,484)	\$ -	\$ 165,791,569

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

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

CATCHER TECHNOLOGY CO., LTD.

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 12,379,324	\$ 9,284,865
Adjustments for:		
Depreciation expense	806,521	904,044
Amortization expense	22,852	31,993
Loss (gain) on financial instruments at fair value through profit or loss	750,526	(282,794)
Interest expense	703,860	480,516
Interest income	(1,128,250)	(289,551)
Dividend income	(76,623)	(55,931)
Share of profit of subsidiaries and associates	(5,493,049)	(10,336,983)
Gain on disposal of property, plant and equipment	(23,886)	(23,102)
Transfer of property, plant and equipment to expenses	19	-
Unrealized gain on transactions with subsidiaries	-	31
Unrealized gain on foreign currency exchange	(363,581)	(511,374)
Changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables	1,046,081	3,597,353
Trade receivables from related parties	799	3,563,322
Other receivables	46,098	76,879
Other receivables from related parties	523,146	(57,175)
Inventories	46,456	1,151,527
Other current assets	24,306	(9,367)
Contract liabilities	10,061	26,346
Trade payables	(336,215)	208,670
Trade payables to related parties	(161,299)	(2,562,531)
Other payables	(937,537)	(919,475)
Other payables to related parties	(548)	(810)
Other current liabilities	(2,953)	(1,578,566)
Net defined benefit liabilities	(9)	20
Other non-current liabilities	-	(10)
Cash generated from operations	7,836,099	2,697,918
Dividends received	15,506,583	56,533
Income tax paid	(256,102)	(38,101)
Net cash generated from operating activities	<u>23,086,580</u>	<u>2,716,350</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(144,216,423)	(119,156,741)
Proceeds from sale of financial assets at amortized cost	146,542,441	114,911,347
Purchase of financial assets at fair value through profit or loss	(5,886,195)	(7,282,335)
Proceeds from sale of financial assets at fair value through profit or loss	8,349,915	4,508,114
Acquisitions of investments accounted for using the equity method	-	(3,475,000)
Payments for property, plant and equipment	(168,993)	(654,601)
		(Continued)

CATCHER TECHNOLOGY CO., LTD.

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

	2022	2021
Proceeds from disposal of property, plant and equipment	\$ 7,951	\$ 29,701
Increase in refundable deposits	(12,000)	(22)
Decrease in refundable deposits	22	120
Payments for of intangible assets	(1,327)	(9,503)
Payments for investment properties	-	(410)
Interest received	<u>1,004,499</u>	<u>314,487</u>
Net cash generated from (used in) investing activities	<u>5,619,890</u>	<u>(10,814,843)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	406,059,178	321,126,452
Repayments of short-term borrowings	(427,394,904)	(313,560,452)
Proceeds from guarantee deposits received	3,369	700
Refunds of guarantee deposits received	(1,150)	(900)
Repayment of the principal portion of lease liabilities	(9,797)	(8,413)
Cash dividends paid	(7,297,490)	(9,139,417)
Payments for buy-back of ordinary shares	(3,981,444)	(3,421,174)
Interest paid	(694,547)	(478,470)
Proceeds from unclaimed dividends	<u>1,192</u>	<u>593</u>
Net cash used in financing activities	<u>(33,315,593)</u>	<u>(5,481,081)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,609,123)	(13,579,574)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>14,091,058</u>	<u>27,670,632</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,481,935</u>	<u>\$ 14,091,058</u>

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

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

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. GENERAL INFORMATION

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

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

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

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were published after being approved by the Company’s board of directors on February 23, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

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

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

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

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

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

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

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

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

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

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

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

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

For the purpose of presenting parent company only financial statements, assets and liabilities of a foreign operation (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

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

f. Investment accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investment in associates

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

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

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

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

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

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

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

g. Property, plant and equipment

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

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

when completed and ready for their intended use.

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

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

h. Investment properties

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

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

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

i. Intangible assets

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

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

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

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

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

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

purpose of evaluating impairment of that cash-generating unit.

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, investments in debt instruments, accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross

carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables) at the end of each reporting period.

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, the carrying amount is weighted average calculation to stock types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

1. Revenue recognition

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

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

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

m. Leases

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

1) The Company as lessor

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

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

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

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

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

n. Borrowing costs

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

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

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

and they are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

a. Write-down of inventories

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

b. Income taxes

For the purpose of expanding the Company's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved of the board of directors in previous years that the unappropriated retained earnings of overseas subsidiaries. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings (refer to Note 25). If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. The Company evaluated the optimization of its working capital and tax planning. The board of directors Nanomag International Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on October 24, 2022. The remaining unappropriated retained

earnings of other overseas subsidiaries will still be estimated using for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 408	\$ 424
Demand deposits in banks	4,361,307	1,668,690
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	5,120,220	12,258,347
Repurchase agreements	-	66,050
Commercial Paper	-	97,547
	<u>\$ 9,481,935</u>	<u>\$ 14,091,058</u>

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

	December 31	
	2022	2021
Time deposits	4.15%-4.57%	0.17%-2.95%
Repurchase agreements	-	1%
Commercial Paper	-	0.3%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ -	\$ 1,508,310
Domestic quoted shares	<u>189,736</u>	<u>1,709,396</u>
	<u>\$ 189,736</u>	<u>\$ 3,217,706</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31	
	2022	2021
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	\$ -	\$ -
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	57,330	36,240
	<u>\$ 57,330</u>	<u>\$ 36,240</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 8,545,862	\$ 28,578,291
Restricted bank deposit (a and b)	14,687,274	-
Repurchase agreements (a)	-	387,644
	<u>\$ 23,233,136</u>	<u>\$ 28,965,935</u>
<u>Non-current</u>		
Domestic investments		
Restricted bank deposit (a and c)	\$ 25,380,176	\$ 21,635,436
Time deposits with original maturity of more than 1 year (a)	282,072	254,196
Refundable deposits	1,694	897
	<u>\$ 25,663,942</u>	<u>\$ 21,890,529</u>

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

	December 31	
	2022	2021
Time deposits	3.57%-5.11%	0.12%-2.72%
Repurchase agreements	-	1%-1.2%

- b. Refer to Note 30 for information relating to financial assets at amortized cost-current pledged as security.
- c. Restricted bank deposits were funds that the Company deposited in the segregated foreign exchange deposit account in accordance with “the Management, Utilization, and Taxation of Repatriated offshore Funds Act”.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,917,314	\$ 2,963,395
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 1,908,876</u>	<u>\$ 2,954,957</u>
Other receivables	<u>\$ 188,431</u>	<u>\$ 281,015</u>

a. Trade receivables

The average credit period of sales of goods was 30 to 180 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company’s credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company’s different customer base.

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

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

December 31, 2022

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%-0.444%	0%	0%	
Gross carrying amount	\$ 1,901,390	\$ 15,795	\$ 129	\$ 1,917,314
Loss allowance (Lifetime ECLs)	<u>(8,438)</u>	<u>-</u>	<u>-</u>	<u>(8,438)</u>
Amortized cost	<u>\$ 1,892,952</u>	<u>\$ 15,795</u>	<u>\$ 129</u>	<u>\$ 1,908,876</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%-0.283%	0%-2.366%	0%-4.762%	
Gross carrying amount	\$ 2,957,614	\$ 5,781	\$ -	\$ 2,963,395
Loss allowance (Lifetime ECLs)	<u>(8,364)</u>	<u>(74)</u>	<u>-</u>	<u>(8,438)</u>
Amortized cost	<u>\$ 2,949,250</u>	<u>\$ 5,707</u>	<u>\$ -</u>	<u>\$ 2,954,957</u>

There is no movements of the loss allowance of trade receivables in 2022 and 2021.

b. Other receivables

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

11. INVENTORIES

	December 31	
	2022	2021
Merchandise	\$ 4,980	\$ 11,033
Finished goods	717,551	689,073
Work-in-process and semi-finished goods	387,983	386,413
Raw materials and supplies	<u>81,970</u>	<u>152,420</u>
	<u>\$ 1,192,484</u>	<u>\$ 1,238,939</u>

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	\$ 6,742,163	\$ 12,254,239
Others	<u>(14,885)</u>	<u>(15,252)</u>
	<u>\$ 6,727,278</u>	<u>\$ 12,238,987</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 159,320,891	\$ 158,323,306
Investments in associates	<u>2,769</u>	<u>8,050</u>
	<u>\$ 159,323,660</u>	<u>\$ 158,331,356</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Unlisted Shares		
Gigamag Co., Ltd.	\$ 1,934,100	\$ 827,183
Nanomag International Co., Ltd.	152,134,044	152,280,408
Ku Yue Co., Ltd.	2,910,748	2,976,267
Yi Sheng Co., Ltd.	1,063,672	1,018,111
Yi De Co., Ltd.	1,082,883	1,021,328
Catcher Medtech Co., Ltd.	<u>195,444</u>	<u>200,009</u>
	<u>\$ 159,320,891</u>	<u>\$ 158,323,306</u>

	Proportion of Ownership and Voting Rights	
	December 31, 2022	December 31, 2021
Gigamag Co., Ltd.	100%	100%
Nanomag International Co., Ltd.	100%	100%
Ku Yue Co., Ltd.	100%	100%
Yi Sheng Co., Ltd.	100%	100%
Yi De Co., Ltd.	100%	100%
Catcher Medtech Co., Ltd.	100%	100%
Catcher Holdings International Inc.	-	-

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

The Company established Catcher Holdings International Inc. in June 2022. As of December 31, 2022, no investment funding has been remitted.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 was based on the subsidiaries' financial statements which have been audited for the same years.

The Company disposed of Suzhou subsidiaries (Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd.) Refer to Note 29 of the Company's consolidated financial statements for the year ended December 31, 2022.

b. Investments in associates

	December 31	
	2022	2021
Investments in associates		
Associates that are not individually material	\$ <u>2,769</u>	\$ <u>8,050</u>

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

	For the Year Ended December 31	
	2022	2021
The Company's share of:		
Net profit and total comprehensive income (loss) for the year	\$ <u>(5,281)</u>	\$ <u>(3,533)</u>

13. PROPERTY, PLANT AND EQUIPMENT

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

See Table 9 for the statements of changes in property, plant and equipment for the years ended December 31, 2022 and 2021.

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

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

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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
<u>Carrying amount</u>		
Land	\$ 167,389	\$ 164,249
Buildings	<u>2,338</u>	<u>8,765</u>
	<u>\$ 169,727</u>	<u>\$ 173,014</u>
	For the Year Ended December 31	
	2022	2021
Additions to right-of-use asset	<u>\$ 12,689</u>	<u>\$ 10,518</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,042	\$ 5,904
Buildings	<u>6,214</u>	<u>5,238</u>
	<u>\$ 12,256</u>	<u>\$ 11,142</u>
Income from the subleasing of right-of-use assets (presented in operating revenue)	<u>\$ (965)</u>	<u>\$ (2,238)</u>

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

b. Lease liabilities

	December 31	
	2022	2021
<u>Carrying amount</u>		
Current	<u>\$ 5,923</u>	<u>\$ 8,514</u>
Non-current	<u>\$ 126,297</u>	<u>\$ 124,534</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	0.71%	0.71%
Buildings	0.71%	0.71%

c. Material lease-in activities and terms

The Company leases certain land and buildings for the use of plants and office spaces with lease terms of 3 to 50 years.

The lease contract for land located in Taiwan specifies that lease payments will be adjusted every year on the basis of changes in the announced land value prices. The Company does not have bargain

purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Subleases

The Company subleases its right-of-use assets for office spaces in Taipei under operating leases with a lease term of 1 year to associate Yue-Kang Health Control Technology Inc. The maturity analysis of lease payments receivable was as follows:

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

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ <u>930</u>	\$ <u>655</u>
Total cash outflow for leases	\$ <u>11,687</u>	\$ <u>10,006</u>

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

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 203,363	\$ 154,876	\$ 358,239
Additions	<u>-</u>	<u>410</u>	<u>410</u>
Balance at December 31, 2021	<u>\$ 203,363</u>	<u>\$ 155,286</u>	<u>\$ 358,649</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 131,243	\$ 131,243
Depreciation	<u>-</u>	<u>5,841</u>	<u>5,841</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 137,084</u>	<u>\$ 137,084</u>
Carrying amount at December 31, 2021	<u>\$ 203,363</u>	<u>\$ 18,202</u>	<u>\$ 221,565</u>

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 203,363	\$ 155,286	\$ 358,649
Additions	-	245	245
Transfer from property, plant and equipment	<u>712,166</u>	<u>25,929</u>	<u>738,095</u>
Balance at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 181,460</u>	<u>\$ 1,096,989</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,084	\$ 137,084
Depreciation	-	5,938	5,938
Transfer from property, plant and equipment	<u>-</u>	<u>691</u>	<u>691</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 143,713</u>	<u>\$ 143,713</u>
Carrying amount at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 37,747</u>	<u>\$ 953,276</u>
			(Concluded)

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

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

Due to the impact of the COVID-19 pandemic on the market economy in 2021, the Company agreed to defer the rental collections for the period between June 5, 2021 and December 5, 2021 to the period between December 5, 2021 and June 5, 2022.

The determination of fair value was performed by independent qualified professional valuers. The fair value was measured using Level 3 inputs or was arrived at by reference to market evidence of transaction prices for similar properties. The fair value was as follows:

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

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

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

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

16. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 146,240	\$ -	\$ 146,240
Additions	5,888	29,700	35,588
Disposals	<u>(1,365)</u>	<u>-</u>	<u>(1,365)</u>
Balance at December 31, 2021	<u>\$ 150,763</u>	<u>\$ 29,700</u>	<u>\$ 180,463</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 135,378	\$ -	\$ 135,378
Amortization expense	<u>9,162</u>	<u>6,500</u>	<u>15,662</u>
Balance at December 31, 2021	<u>\$ 144,540</u>	<u>\$ 6,500</u>	<u>\$ 151,040</u>
Carrying amount at December 31, 2021	<u>\$ 6,223</u>	<u>\$ 23,200</u>	<u>\$ 29,423</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 150,763	\$ 29,700	\$ 180,463
Additions	<u>1,353</u>	<u>-</u>	<u>1,353</u>
Balance at December 31, 2022	<u>\$ 152,116</u>	<u>\$ 29,700</u>	<u>\$ 181,816</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 144,540	\$ 6,500	\$ 151,040
Amortization expense	<u>4,838</u>	<u>10,546</u>	<u>15,384</u>
Balance at December 31, 2022	<u>\$ 149,378</u>	<u>\$ 17,046</u>	<u>\$ 166,424</u>
Carrying amount at December 31, 2022	<u>\$ 2,738</u>	<u>\$ 12,654</u>	<u>\$ 15,392</u>

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

17. OTHER ASSETS

	December 31	
	2022	2021
<u>Current</u>		
Office supplies	\$ 49,820	\$ 66,121
Temporary payments	12,461	273
Prepayments to suppliers	-	15,626
Prepaid expenses	6,980	13,545
Net Input VAT	500	500
Others	74	75
	<u>\$ 69,835</u>	<u>\$ 96,140</u>
<u>Non-current</u>		
Prepaid equipment	\$ 10,789	\$ 6,738
Others	424	1,020
	<u>\$ 11,213</u>	<u>\$ 7,758</u>

18. SHORT - TERM BORROWINGS

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Bank unsecured loans	\$ 43,696,000	\$ 78,031,726
Secured borrowings (Note 30)		
Bank secured loans	<u>13,000,000</u>	<u>-</u>
	<u>\$ 56,696,000</u>	<u>\$ 78,031,726</u>

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

	December 31	
	2022	2021
Bank unsecured loans	1.3% - 1.98%	0.6% - 0.88%
Bank secured loans	1.3% - 1.56%	-

19. TRADE PAYABLES

All payables resulted from operating activities.

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

20. OTHER LIABILITIES

	December 31	
	2022	2021
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 2,067,335	\$ 2,705,255
Payables for salaries and bonuses	394,920	438,070
Payables for office supplies	130,402	224,733
Payables for purchases of equipment	37,357	81,253
Payables for annual leave	79,476	83,264
Payables for labor and health insurance	21,867	49,712
Payables for shipping expenses	11,959	17,794
Payables for technical services	130,296	77,784
Payables for professional service fees	12,742	13,651
Payables for utilities	26,582	30,277
Payables for pension	17,203	26,023
Remuneration of directors	18,200	16,400
Payables for interest	23,099	13,836
Others	89,534	212,463
	<u>\$ 3,060,972</u>	<u>\$ 3,990,515</u>
Other liabilities		
Advance sales receipts	\$ 3,081	\$ 5,225
Receipts under custody	-	14,608
Others	13,878	77
	<u>\$ 16,959</u>	<u>\$ 19,910</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	<u>\$ 10,036</u>	<u>\$ 8,776</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the ROC government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount

of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company’s defined benefit plans were as follows:

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

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	<u>\$ 80,599</u>	<u>\$ (74,041)</u>	<u>\$ 6,558</u>
Service cost			
Current service cost	2,116	-	2,116
Net interest expense (income)	<u>282</u>	<u>(262)</u>	<u>20</u>
Recognized in profit or loss	<u>2,398</u>	<u>(262)</u>	<u>2,136</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,092)	(1,092)
Actuarial loss - changes in demographic assumptions	4,312	-	4,312
Actuarial gain - changes in financial assumptions	(3,425)	-	(3,425)
Actuarial loss - experience adjustments	<u>205</u>	<u>-</u>	<u>205</u>
Recognized in other comprehensive income	<u>1,092</u>	<u>(1,092)</u>	<u>-</u>
Contributions from the employer	-	(2,116)	(2,116)
Benefits paid	<u>(3,626)</u>	<u>3,626</u>	<u>-</u>
Balance at December 31, 2021	<u>80,463</u>	<u>(73,885)</u>	<u>6,578</u>
Service cost			
Current service cost	2,162	-	2,162
Net interest expense (income)	<u>603</u>	<u>(562)</u>	<u>41</u>
Recognized in profit or loss	<u>2,765</u>	<u>(562)</u>	<u>2,203</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,570)	(5,570)
Actuarial gain - changes in financial assumptions	(4,508)	-	(4,508)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - experience adjustments	\$ 10,078	\$ -	\$ 10,078
Recognized in other comprehensive income	5,570	(5,570)	-
Contributions from the employer	-	(2,212)	(2,212)
Benefits paid	(3,845)	3,845	-
Balance at December 31, 2022	<u>\$ 84,953</u>	<u>\$ (78,384)</u>	<u>\$ 6,569</u> (Concluded)

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

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

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

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

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

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

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

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

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

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

22. EQUITY

a. Share capital

1) Ordinary shares

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

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

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

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

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

2) Global depositary receipts

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

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

b. Capital surplus

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

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

c. Retained earnings and dividends policy

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

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

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

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

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

For the policies on the distribution of the compensation of employees and remuneration of directors after the amendment, refer to "Compensation of employees and remuneration of directors" in Note 24(h).

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

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

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

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

d. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (16,859,133)	\$ (14,326,474)
Exchange differences on translating the financial statements of foreign operations	14,854,916	(2,532,659)
Share from subsidiaries accounted for using the equity method	<u>2,459</u>	<u>-</u>
Balance at December 31	<u>\$ (2,001,758)</u>	<u>\$ (16,859,133)</u>

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (102,333)	\$ (67,836)
Recognized for the year		
Unrealized gain (loss) - equity instruments	21,090	(47,940)
Share from subsidiaries accounted for using the equity method	(308,525)	11,932
Reclassification adjustments		
Proceeds from subsidiaries accounted for using the equity method	175,820	324
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(28,778)</u>	<u>1,187</u>
Balance at December 31	<u>\$ (242,726)</u>	<u>\$ (102,333)</u>

e. Treasury shares

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

To maintain the Company's credit and shareholders' equity, on April 6, 2022, the Company's board of directors resolved to buy back 25,000 thousand shares from April 7, 2022 to June 6, 2022 at a price ranging from NT\$102.2 per share to NT\$220.5 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, the Company bought back 15,286 thousand shares with a total cost of NT\$2,307,209 thousand.

To maintain the Company's credit and shareholders' equity, on December 8, 2021, the Company's board of directors resolved to buy back 25,000 thousand shares from December 9, 2021 to February 8, 2022 at a price ranging from NT\$106.8 per share to NT\$238.5 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, the Company bought back 16,332 thousand shares with a total cost of NT\$2,560,844 thousand.

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

On February 24, 2022, the Company's board of directors resolved that February 28, 2022 was the record date for capital reduction and cancellation of treasury shares 31,865 thousand shares.

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

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

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

23. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 8,286,171	\$ 14,012,341
Rental income	<u>20,167</u>	<u>18,223</u>
	<u>\$ 8,306,338</u>	<u>\$ 14,030,564</u>

a. Contract information

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

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables			
Gross carrying amount	\$ 1,917,314	\$ 2,963,395	\$ 6,560,748
Less: Allowance for impairment loss	<u>(8,438)</u>	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 1,908,876</u>	<u>\$ 2,954,957</u>	<u>\$ 6,552,310</u>
Contract liabilities - current			
Sale of goods	<u>\$ 42,803</u>	<u>\$ 32,742</u>	<u>\$ 6,396</u>

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	\$ 1,126,274	\$ 284,758
Repurchase agreements	<u>1,976</u>	<u>4,793</u>
	<u>\$ 1,128,250</u>	<u>\$ 289,551</u>

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividend income	\$ 76,623	\$ 55,931
Government grants	3,536	2,358
Recycling income	2,696	2,777
Tax refund income	12	-
Others	<u>7,061</u>	<u>12,555</u>
	<u>\$ 89,928</u>	<u>\$ 73,621</u>

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets mandatorily classified as at FVTPL	\$ (750,526)	\$ 282,794
Others	<u>(10,061)</u>	<u>(9,233)</u>
	<u>\$ (760,587)</u>	<u>\$ 273,561</u>

d. Interest expense

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 702,904	\$ 479,578
Interest on lease liabilities	<u>956</u>	<u>938</u>
	<u>\$ 703,860</u>	<u>\$ 480,516</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 759,731	\$ 858,195
Operating expenses	<u>46,790</u>	<u>45,849</u>
	<u>\$ 806,521</u>	<u>\$ 904,044</u>
An analysis of amortization by function		
Operating costs	\$ 5,825	\$ 17,263
Operating expenses	<u>17,027</u>	<u>14,730</u>
	<u>\$ 22,852</u>	<u>\$ 31,993</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses from investment properties generating rental income	<u>\$ 9,001</u>	<u>\$ 7,879</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 3,048,782	\$ 3,264,352
Post-employment benefits		
Defined contribution plans	94,092	97,884
Defined benefit plans (Note 21)	<u>2,203</u>	<u>2,136</u>
	<u>96,295</u>	<u>100,020</u>
	<u>\$ 3,145,077</u>	<u>\$ 3,364,372</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,655,587	\$ 2,897,257
Operating expenses	<u>489,490</u>	<u>467,115</u>
	<u>\$ 3,145,077</u>	<u>\$ 3,364,372</u>

h. Compensation of employees and remuneration of directors

The Company accrued the compensation of employees and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on February 23, 2023 and February 24, 2022, respectively, were as follows:

Accrual rate

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

Amount

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

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

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

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

i. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	\$ 14,597,774	\$ 2,626,590
Foreign exchange losses	(8,093,242)	(4,631,872)
	<u>\$ 6,504,532</u>	<u>\$ (2,005,282)</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 851,959	\$ -
Income tax on unappropriated earnings	-	340,681
Adjustment for prior years	(69,815)	10,916
Tax on repatriated offshore funds	<u>2,152,333</u>	<u>-</u>
	<u>2,934,477</u>	<u>351,597</u>
Deferred tax		
In respect of the current year	(1,463,806)	239,088
Adjustment for prior years	<u>6,474</u>	<u>119,136</u>
	<u>(1,457,332)</u>	<u>358,224</u>
	<u>\$ 1,477,145</u>	<u>\$ 709,821</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before income tax	<u>\$ 12,379,324</u>	<u>\$ 9,284,865</u>
Income tax expense calculated at the statutory rate	\$ 2,475,864	\$ 1,856,973
Unrealized gains on investments	(1,069,622)	(2,010,052)
Non-deductible expenses in determining taxable income	150,153	13,349
Additive expense in determining taxable income	(9,322)	-
Deferred tax effect of earnings of subsidiaries	-	456,045
Tax-exempt income	(6,587)	(77,227)
Additional income tax on unappropriated earnings	-	340,681
Adjustments for prior years' deferred tax	6,474	119,136
Adjustments for prior years' tax	<u>(69,815)</u>	<u>10,916</u>
	<u>\$ 1,477,145</u>	<u>\$ 709,821</u>

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

b. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	<u>\$ -</u>	<u>\$ 84,316</u>
Current tax liabilities		
Income tax payable	<u>\$ 2,903,565</u>	<u>\$ 309,608</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 143,609	\$ (17,605)	\$ 126,004
Unrealized sales returns	24	-	24
Defined benefit obligation	1,315	(1)	1,314
Payables for annual leave	16,653	(758)	15,895
Unrealized gain on disposals of property, plant and equipment	412	1,297	1,709
Unrealized intercompany profit	66,487	(28,988)	37,499
Depreciation differences	10,751	39,633	50,384
Other payables	15,557	10,502	26,059
Unrealized foreign exchange losses	<u>179,185</u>	<u>(24,437)</u>	<u>154,748</u>
	433,993	(20,357)	413,636
Tax losses	<u>663,893</u>	<u>(663,893)</u>	<u>-</u>
	<u>\$ 1,097,886</u>	<u>\$ (684,250)</u>	<u>\$ 413,636</u>

Deferred tax liabilities

Temporary differences			
Depreciation differences	\$ -	\$ 10,751	\$ 10,751
Reserves for land value increment tax	12,597	-	12,597
Investment Income	<u>5,050,142</u>	<u>(2,152,333)</u>	<u>2,897,809</u>
	<u>\$ 5,062,739</u>	<u>\$ (2,141,582)</u>	<u>\$ 2,921,157</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 216,027	\$ (72,418)	\$ 143,609
Impairment loss on property, plant and equipment	31	(31)	-
Unrealized sales returns	31	(7)	24
Defined benefit obligation	1,311	4	1,315
Payables for annual leave	17,199	(546)	16,653
Unrealized gain on disposals of property, plant and equipment	148	264	412
Unrealized intercompany profit	123,826	(57,339)	66,487
Depreciation differences	-	10,751	10,751
			(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Other payables	\$ 6,639	\$ 8,918	\$ 15,557
Unrealized foreign exchange losses	<u>346,092</u>	<u>(166,907)</u>	<u>179,185</u>
	711,304	(277,311)	433,993
Tax losses	<u>298,494</u>	<u>365,399</u>	<u>663,893</u>
	<u>\$ 1,009,798</u>	<u>\$ 88,088</u>	<u>\$ 1,097,886</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Depreciation differences	\$ 10,465	\$ (10,465)	\$ -
Reserves for land value increment tax	12,597	-	12,597
Investment Income	<u>4,593,365</u>	<u>456,777</u>	<u>5,050,142</u>
	<u>\$ 4,616,427</u>	<u>\$ 446,312</u>	<u>\$ 5,062,739</u>
			(Concluded)

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

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

- e. Income tax assessments

The tax returns of the Company through 2020.

26. EARNINGS PER SHARE

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

Net profit for the year

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

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

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

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

27. CAPITAL MANAGEMENT

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

28. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 189,736	\$ -	\$ -	\$ 189,736
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 57,330	\$ 57,330

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 1,709,396	\$ -	\$ -	\$ 1,709,396
Mutual funds	1,508,310	-	-	1,508,310
	\$ 3,217,706	\$ -	\$ -	\$ 3,217,706
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 36,240	\$ 36,240

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 36,240	\$ 84,180
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at financial assets at FVTOCI)	21,090	(47,940)
Balance at December 31	\$ 57,330	\$ 36,240

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

The fair value of unlisted equity securities in the ROC was based on the recent net equity.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 189,736	\$ 3,217,706
Financial asset at amortized cost (i)	63,956,781	68,306,859
Financial assets at FVTOCI		
Equity instruments	57,330	36,240

Financial liabilities

Financial liabilities measured at amortized cost (ii)	60,110,876	82,865,904
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- i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, trade receivables, other receivables and refundable deposits.
- ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, and lease liabilities. The Company's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the United States dollars (USD) and renminbi (RMB).

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

	USD Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 630,115	\$ 660,167
	RMB Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 509	\$ 2,360

The result was mainly attributable to the exposure on outstanding USD-denominated and RMB-denominated cash and cash equivalents, financial assets at amortized cost and receivables and payables which were not hedged at the end of the reporting period.

The Company's sensitivity to the USD and RMB decreased during the current period mainly due to the decrease in net assets denominated in USD and RMB. In management's opinion, the sensitivity analysis was unrepresentative of inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 54,015,604	\$ 63,277,511
Financial liabilities	132,220	133,048
Cash flow interest rate risk		
Financial assets	4,361,307	1,668,690
Financial liabilities	56,696,000	78,031,726

Sensitivity analysis

The sensitivity analysis below was based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the

analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the years ended December 31, 2022 and 2021 would have decreased by NT\$52,335 thousand and NT\$76,363 thousand, respectively; the change would have been mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings of cash flow.

The Company's sensitivity to interest rates lower during the current period mainly due to the decreased in variable rate financial liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$1,897 thousand and NT\$32,177 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

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

The counterparties to the foregoing financial instruments are reputable business organizations. Management does not expect the Company's exposure to default by those parties to be material; ongoing credit evaluation is also performed on the financial condition of customers with whom the Company has accounts receivable.

Information on credit risk concentration as of December 31, 2022 and 2021 was as follows:

	December 31			
	2022		2021	
	Amount	%	Amount	%
Customer A	\$ -	-	\$ 248,994	8%
Customer B	1,224,864	64%	1,655,145	56%
Customer C	260,586	14%	656,946	22%

3) Liquidity risk

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

The Company's operating funds and bank loan credit line are deemed sufficient to meet cash flow demands; therefore, liquidity risk is not considered to be significant.

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

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

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 3,287,774	\$ 117,066	\$ 10,036	\$ -
Lease liabilities	1,171	5,657	17,942	120,700
Variable interest rate liabilities	-	57,258,584	-	-
	<u>\$ 3,288,945</u>	<u>\$ 57,381,307</u>	<u>\$ 27,978</u>	<u>\$ 120,700</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

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

December 31, 2021

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 4,593,499	\$ 231,903	\$ 8,776	\$ -
Lease liabilities	1,324	8,096	20,031	116,897
Variable interest rate liabilities	40,388,313	37,837,915	-	-
	<u>\$ 44,983,136</u>	<u>\$ 38,077,914</u>	<u>\$ 28,807</u>	<u>\$ 116,897</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,420</u>	<u>\$ 20,031</u>	<u>\$ 20,626</u>	<u>\$ 20,626</u>	<u>\$ 42,643</u>	<u>\$ 33,002</u>

The amounts included for variable interest rate instruments for both non-derivative financial assets and liabilities would change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank loan facilities		
Amount used	\$ 43,706,000	\$ 78,042,286
Amount unused	<u>42,634,750</u>	<u>4,563,314</u>
	<u>\$ 86,340,750</u>	<u>\$ 82,605,600</u>
Secured bank loan facilities		
Amount used	\$ 13,000,000	\$ -
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 13,000,000</u>	<u>\$ -</u>

29. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed below.

a. The names of the related parties and their relationships with the Company

Related Party Name	Relationship
Catcher Technology (Suqian) Co., Ltd. ("Catcher Suqian")	Subsidiaries (100% of Indirect ownership)
Vito Technology (Suqian) Co., Ltd. ("Vito Suqian")	Subsidiaries (100% of Indirect ownership)
Arcadia Technology (Suqian) Co., Ltd. ("Arcadia Suqian")	Subsidiaries (100% of Indirect ownership)
Envio Technology (Suqian) Co., Ltd. ("Envio Suqian")	Subsidiaries (100% of Indirect ownership)
Aquila Technology (Suqian) Co., Ltd. ("Aquila Suqian")	Subsidiaries (75% of Indirect ownership)
Ke Yue Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Sheng Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi De Co., Ltd.	Subsidiaries (100% of Direct ownership)
Catcher Medtech Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yue-Kang Health Control Technology Inc.	Associates (45% of Direct ownership)
Next Level Ltd.	Subsidiaries (100% of Direct ownership)
Lyra International Co., Ltd. (Lyra)	Subsidiaries (100% of Indirect ownership)

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2022	2021
Revenue from sale of goods	Subsidiaries	<u>\$ 825</u>	<u>\$ 49,005</u>
Deduction of Costs	Subsidiaries	<u>\$ 550</u>	<u>\$ 411</u>

(Continued)

Line Item	Related Party Category	For the Year Ended December 31	
		2022	2021
Rental income	Subsidiaries	\$ 1,000	\$ -
	Associates	<u>965</u>	<u>2,238</u>
		<u>\$ 1,965</u>	<u>\$ 2,238</u>

(Concluded)

The prices of goods sold to related parties do not have similar transactions to which they can be compared. The credit terms are 90 days after current month's closing for related parties and it was not significantly different from those with third parties.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Next Level Ltd.	\$ 1,333,899	\$ 4,701,778
Lyra	-	544,356
Others	<u>54,063</u>	<u>95,929</u>
	<u>\$ 1,387,962</u>	<u>\$ 5,342,063</u>

The prices of goods purchased from related parties do not have similar transactions to which they can be compared. The payment terms are 30 to 120 days after current month's closing for related parties and it was not significantly different from those with third parties.

d. Office supplies

Related Party Category	For the Year Ended December 31	
	2022	2021
Subsidiaries	<u>\$ 3,013</u>	<u>\$ 5,274</u>

The payment term is 30 to 120 days after current month's closing to related parties.

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade receivables from related parties	Subsidiaries		
	Other	<u>\$ -</u>	<u>\$ 799</u>

(Continued)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Other receivables from related parties	Subsidiaries		
	Nanomag	\$ 3,479,910	\$ -
	Next Level Ltd.	-	118,627
	Catcher Sugian	-	1,768
	Other	551	2,140
	Associates	-	31
		<u>\$ 3,480,461</u>	<u>\$ 122,566</u>
			(Concluded)

The outstanding accounts receivables from related parties are unsecured. No impairment loss was recognized for receivables from related parties for the years ended December 31, 2022 and 2021.

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

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade payables to related parties	Subsidiaries		
	Next Level Ltd.	\$ 1,128	\$ 133,189
	Others	<u>29,286</u>	<u>58,524</u>
		<u>\$ 30,414</u>	<u>\$ 191,713</u>
Other payables to related parties	Subsidiaries	<u>\$ 8,804</u>	<u>\$ 2,309</u>

The outstanding accounts payable to related parties are unsecured.

g. Acquisition of property, plant and equipment

Related Party Category	Purchase Price	
	For the Year Ended December 31	
	2022	2021
Subsidiaries	<u>\$ 8,848</u>	<u>\$ 20,905</u>

The purchase price is determined by the bargaining price. The payment term is 90 days after acceptance check.

h. Disposal of property, plant and equipment

The proceeds price is determined by the bargaining price. The accumulated unrealized gain on disposal for the years ended December 31, 2022 and 2021 was NT\$8,544 thousand and NT\$2,059 thousand, respectively and deducted from Investments accounted for using the equity method.

i. Purchase of property, plant and equipment service

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Vito Suqian	\$ -	\$ 6,116

The credit terms are 90 days after current month's closing for related parties. The accumulated unrealized gain for the years ended December 31, 2022 and 2021 was NT\$187,495 thousand and NT\$332,434 thousand, respectively and deducted from Investments accounted for using the equity method.

j. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 57,124	\$ 60,824
Post-employment benefits	<u>43,128</u>	<u>29,296</u>
	<u>\$ 100,252</u>	<u>\$ 90,120</u>

The remuneration of directors and key executives are determined by the remuneration committee with regard to the performance of individuals, the performance of the Company, and future risk.

30. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	December 31	
	2022	2021
Pledged deposits (classified as financial assets at amortized cost-current)	<u>\$ 14,687,274</u>	<u>\$ -</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as balance sheet date was as follows:

Unrecognized commitments are as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	<u>\$ 51,198</u>	<u>\$ 45,950</u>
Acquisition of inventories	<u>\$ 35,725</u>	<u>\$ 105,067</u>

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies other than the functional currencies of the group entities and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,068,471	30.66	\$ 63,419,313
RMB	4	4.383	17

Non-monetary items

Investment accounted for using equity method			
USD	5,016,872	30.71	154,068,144

Financial liabilities

Monetary items			
USD	13,258	30.76	407,801
RMB	11,482	4.433	50,898

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,422,657	27.63	\$ 66,938,002
RMB	61,535	4.319	265,769

Non-monetary items

Investment accounted for using equity method			
USD	5,530,292	27.68	153,078,490

Financial liabilities

Monetary items			
USD	33,236	27.72	921,327
RMB	6,824	4.369	29,813

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

Foreign Currency	For the Year Ended December 31			
	2022		2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.804 (USD:NTD)	\$ 6,498,463	28.009 (USD:NTD)	\$ (2,011,968)
RMB	4.4345 (RMB:NTD)	4,754	4.3417 (RMB:NTD)	4,493
JPY	0.2275 (JPY:NTD)	1,315	0.2554 (JPY:NTD)	2,196
EUR	31.36 (EUR:NTD)	-	33.16 (EUR:NTD)	(3)
		<u>\$ 6,504,532</u>		<u>\$ (2,005,282)</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (N/A)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (N/A)

b. Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, and repatriations of investment from the mainland China area (Table 8)

- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 5 and 6):
- a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) Property transactions - the amount of property transactions and the amount of the resultant gains or losses
 - d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (N/A)

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Catcher Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	\$ 873,000	<u>\$ -</u>	\$ -	1.5	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 828,957,845	<u>\$ 828,957,845</u>
2	Vito Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	611,100	<u>\$ -</u>	-	1.5	For short-term financing	-	Operating capital	-	-	-	828,957,845	<u>\$ 828,957,845</u>
4	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	644,300	<u>\$ 614,200</u>	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	<u>\$ 828,957,845</u>
6	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	966,450	<u>\$ 921,300</u>	-	-	For short-term financing	-	Operating capital	-	-	-	828,957,845	<u>\$ 828,957,845</u>

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations within one year.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2022 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2022 of the subsidiaries.

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

TABLE 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS / GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	\$ 82,895,785	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	82,895,785	22,047	<u>\$ 22,047</u>	<u>\$ 22,047</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
3	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	82,895,785	511,338	<u>\$ 16,315</u>	<u>\$ 16,315</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y
4	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	82,895,785	25,586	<u>\$ 25,134</u>	<u>\$ 25,134</u>	<u>\$ -</u>	0.01	<u>\$ 165,791,569</u>	N	N	Y

Note 1: The upper limit for each borrower of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2022.

Note 2: The upper limit of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2022.

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

TABLE 3

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars and US dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., LTD.	Listed Shares and Emerging Market Shares							
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	5,169,917	\$ 189,736	6.95	\$ 189,736	
	Unlisted Shares							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	57,330	3.57	57,330	
Ke Yue Co., Ltd.	Listed Shares and Emerging Market Shares							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	204,000	9,751	0.23	9,751	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	270,000	28,620	0.56	28,620	
	Limited Partnerships							
	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	192,508	12.78	192,508	Note 3
	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	56,633	7.39	56,633	Note 3
Yi De Co., Ltd.	Listed Shares and Emerging Market Shares							
	Excelsior Medical Co., Ltd	None	Financial assets at FVTOCI - current	21,000	1,420	0.01	1,420	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	717,000	34,273	0.81	34,273	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	489,000	51,834	1.01	51,834	
Yi Sheng Co., Ltd.	Listed Shares and Emerging Market Shares							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	100,000	4,780	0.11	4,780	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	122,000	12,932	0.25	12,932	
Nanomag International Co., Ltd.	Limited Partnerships							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 41,861	23.51	USD 41,861	Note 3
	Corporate Bonds							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 989		USD 989	
	AERCAP IRELAND CAPITAL DAC / AERCA	None	Financial assets at FVTOCI - non-current	1,000,000	USD 962		USD 962	
	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 963		USD 963	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 967		USD 967	
	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,447		USD 1,447	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,569		USD 1,569	
	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,473		USD 1,473	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,023		USD 1,023	
	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 940		USD 940	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,056		USD 1,056	
	CREDIT SUISSE GROUP AG	None	Financial assets at FVTOCI - non-current	1,600,000	USD 1,561		USD 1,561	
	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,759		USD 1,759	
	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 952		USD 952	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,030		USD 1,030	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,901		USD 1,901	
	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,368		USD 1,368	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,752		USD 1,752	
	EQT CORP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 921		USD 921	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,030		USD 1,030	
	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,025		USD 1,025	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,186		USD 1,186	
	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	800,000	USD 807		USD 807	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,448		USD 1,448	
	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 988		USD 988	
	GOLDMAN SACHS GROUP INC/THE	None	Financial assets at FVTOCI - non-current	1,000,000	USD 966		USD 966	
	HCA INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,492		USD 1,492	
	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,032		USD 1,032	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,936		USD 1,936	
	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,424		USD 1,424	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 531		USD 531	
	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,455		USD 1,455	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,347		USD 1,347	
	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 992		USD 992	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,641		USD 1,641	
	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 689		USD 689	
	PACIFIC GAS AND ELECTRIC COMPANY	None	Financial assets at FVTOCI - non-current	810,000	USD 784		USD 784	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 990		USD 990	
	PLAINS ALL AMERICAN PIPELINE LP /	None	Financial assets at FVTOCI - non-current	1,000,000	USD 987		USD 987	
	SANTANDER HOLDINGS USA INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 972		USD 972	
	SCHLUMBERGER HOLDINGS CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,476		USD 1,476	
	OFFICE PROPERTIES INCOME TRUST	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,816		USD 1,816	
	SOUTHERN CALIFORNIA EDISON COMPANY	None	Financial assets at FVTOCI - non-current	1,370,000	USD 1,336		USD 1,336	
	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	750,000	USD 737		USD 737	
	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 979		USD 979	
	VEB FINANCE PLC	None	Financial assets at FVTOCI - non-current	1,000,000	-		-	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	367,000	USD 347		USD 347	
	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 974		USD 974	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	1,000,000	USD 934		USD 934	
	VISTRA OPERATIONS CO LLC VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 960		USD 960	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 982		USD 982	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,477		USD 1,477	
	VIMPELCOM HOLDINGS BV	None	Financial assets at FVTOCI - non-current	500,000	-		-	
	<u>Bond</u>							
	US TREASURY	None	Financial assets at FVTOCI - non-current	10,000,000	USD 10,201		USD 10,201	
	<u>Simple Agreement for Future Equity (SAFE)</u>							
	Vysoneer Inc.	None	Financial assets at FVTPL - non-current	-	-		-	
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 8,596	2.54	USD 8,596	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 17,593	25.32	USD 17,593	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 2,297	3.80	USD 2,297	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,223	5.00	USD 1,223	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 3,727	0.30	USD 3,727	Note 3
	<u>Private Equity Securities</u>							
	Link Wood Limited	None	Financial assets at FVTPL - non-current	2,000,000	USD 726	29.49	USD 726	Note 3
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	14,246	-	4.34	-	

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

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

Note 3: Percentage of Ownership is the fund share ratio.

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Ke Yue Co., Ltd.	Beneficiaries Certificates													
	UPAMC James Bond Money Market Fund	Financial assets at FVTPL - current	-	-	35,598,056.18	\$ 600,621	-	\$ -	35,598,056.18	\$ 601,066	\$ 600,040	\$ 1,026	-	\$ -

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	\$ (225,615)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 89,754	3	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,436,314)	67	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,865,019	82	
		Same ultimate parent company	Purchase	185,321	45	Net 30 to 90 days after month end close	Equivalent	Equivalent	(126,601)	19	
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(257,205)	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	144,857	4	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(3,399,031)	59	Net 30 to 90 days after month end close	Equivalent	Equivalent	2,540,649	73	
		Same ultimate parent company	Purchase	167,319	29	Net 30 to 90 days after month end close	Equivalent	Equivalent	(110,159)	16	
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(1,328,742)	100	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	380,587	94	
The Company	Next Level Ltd.	Subsidiaries	Purchase	1,333,899	42	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	(1,128)	-	

TABLE 6**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 603,571	- (Note)	\$ -	Not applicable	\$ 211,225	\$ -
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,865,019	1.62	-	Not applicable	761,405	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	144,857	1.67	-	Not applicable	47,372	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	2,540,649	1.35	-	Not applicable	672,409	-
Envio Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	126,601	1.68	-	Not applicable	15,645	-
	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	110,159	1.16	-	Not applicable	31,789	-
Arcadia Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	380,587	1.88	-	Not applicable	181,331	-
The Company	Nanomag International Co., Ltd.	Subsidiaries	3,479,910	- (Note)	-	Not applicable	-	-

Note : The ending balance of income receivables includes processing income and surplus repatriation is not applicable to the calculation of the turnover rate.

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	\$ 484,941	\$ 484,941	14,377,642	100	\$ 1,934,100	\$ 929,850	\$ 929,850	
	Nanomag International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	1	1	30	100	152,134,044	4,389,067	4,527,082	
	Yue-Kang Health Control Technology Inc.	13F., No. 97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Health and medical treatment consultant	72,000	72,000	1,440,000	45	2,769	(11,736)	(5,281)	
	Ke Yue Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	3,000,000	3,000,000	198,390,000	100	2,910,748	(55,099)	(55,099)	
	Yi Sheng Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,063,672	49,575	49,575	
	Yi De Co., Ltd.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan (R.O.C.)	Investing activities	1,000,000	1,000,000	73,270,000	100	1,082,883	51,487	51,487	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	Manufacturing, selling and developing medical equipments	200,000	200,000	2,000,000	100	195,444	(4,586)	(4,565)	
	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United State	Investing activities	(USD 0)	(USD 0)	-	-	-	-	-	Note3
Ke Yue Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	519,621	512,063	7,050,000	9.71	490,566	331,398		
			Biotechnology	599,636	414,923	5,410,000	7.81	623,806	495,715		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	240,757	85,961	3,254,000	4.48	226,426	331,398		
			Biotechnology	279,091	224,984	2,589,000	3.74	298,528	495,715		
Yi De Co., Ltd.	Pacific Hospital Supply Co. Ltd. Bioteque Corporation	No. 8, Tongke 2nd Rd., Tongluo Township, Miaoli County 5F.-6, No. 23, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Biotechnology	295,411	252,336	4,047,000	5.57	281,605	331,398		
			Biotechnology	243,370	213,396	2,233,000	3.22	257,479	495,715		
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	-	279 (USD 10,000)	-	100	-	(96)		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,127 (USD 1,009,592)	28,127 (USD 1,009,592)	1,009,592	100	155,296	13,998		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,251,725 (USD 332,079,144)	9,251,725 (USD 332,079,144)	332,079,144	100	16,515,586	(1,210,464)		
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	31,203 (USD 1,120,000)	31,203 (USD 1,120,000)	1,050,000	75	33,128	(23,763)		
	Uranus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,116,401 (USD 399,009,383)	11,116,401 (USD 399,009,383)	399,009,383	100	18,969,796	757,156		
	Norma International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,345,009 (USD 299,533,691)	8,345,009 (USD 299,533,691)	299,533,691	100	13,681,596	4,897,844		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	279 (USD 10,000)	279 (USD 10,000)	10,000	100	390,244	35,390		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	1,536,919 (USD 55,165,797)	1,539,919 (SGD 55,165,797)	55,165,797	100	1,530,575	(257,429)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	278,747 (USD 10,005,259)	278,747 (USD 10,005,259)	-	100	-	10,628		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	1 (USD 30)	9,251,008 (USD 332,053,412)	30	100	20,537	19,303		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,004 (USD 1,400,000)	39,004 (USD 1,400,000)	-	100	-	(26,650)		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United State	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-		Note3

Note 1: Share of profit (loss) is only reflected for the subsidiaries invested in directly and the investments accounted for by using the equity method.

Note 2: Information on investments in mainland China is provided in Table 8.

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 1,023,871 (USD 33,340,000)	\$ -	\$ -	\$ 1,023,871 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,238,841 (USD 40,340,000)	-	-	1,238,841 (USD 40,340,000)	-	-	-	-	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	16,612,381
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	4,299,822
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	-	-	-	-	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,142,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,917,419 (USD 94,999,000)	-	-	2,917,419 (USD 94,999,000)	256,421	100	(Note 2.(A)) 328,767	9,722,510	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,868,279 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	393,594	100	(Note 2.(A)) 428,556	9,413,254	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,019,799 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	4,939,170	100	(Note 2.(A)) 4,765,856	10,284,661	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	3,013,903 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	131,891	100	(Note 2.(A)) 131,891	3,403,220	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	42,994 (USD 1,400,000)	2. Cepheus International Co., Ltd.	34,395 (USD 1,120,000)	-	-	34,395 (USD 1,120,000)	675	75	(Note 2.(A)) 675	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	678,136 (USD 22,081,923)	-	-	678,136 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note 13)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 13 and 14)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 5,892,663 (USD 191,880,923)	\$ 44,069,156 (USD 1,055,764,718) (RMB 2,641,316,560)	\$ 99,481,567

Note 1: The investing methods are categorized as follows:

1: Direct investment in companies in mainland China

2: Investment in companies in mainland China, which is made by a company incorporated via a third region

3: Others

Note 2: In the column:

1: This means the investee is under initial preparation and there were no gains or losses on investment.

2: The recognition of gains or losses on investment is based on:

(1) The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China

(2) The financial statements audited by the certified public accountant of the parent company in Taiwan

(3) Others

Note 3: The upper limit on investment in mainland China is calculated as \$165,802,612×60%=\$99,481,567

Note 4: The paid-in capital of US\$6,670,000, which is self-funding of Nanomag International Co., Ltd., is invested in Topo Technology (Suzhou) Co., Ltd. through Stella International Co., Ltd., and the paid-in capital of US\$33,300,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$33,300,000 is returned by capital reduction in the fourth quarter of 2014.

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

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

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

Note 8: The paid-in capital of US\$16,670,000 is earnings distributed in the third quarter of 2011. Thereafter, the amount of US\$40,000,000 was returned by capital reduction in the second quarter of 2014, and due to dissolution, US\$10,010,000 of capital were returned in August 2016; the remaining amount of capital has not been wired back to Taiwan.

Note 9: The paid-in capital of RMB227,510,746 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. On the other hand, US\$65,979,240 and RMB602,268,326 are earnings distributed from investees in mainland China to Nanomag International Co., Ltd., which were then invested in Topo Technology (Taizhou) Co., Ltd. via Lyra International Co., Ltd.

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

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

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

Note 13: The exchange rate on December 31, 2022 was US\$1:NT\$30.71.

The exchange rate on December 31, 2022 was RMB1:NT\$4.4094

Note 14: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012, and the remaining amount of capital has not been wired back to Taiwan.

Note 15: Sagitta International Co., Ltd. sold all of its shares of Chaohu Yunhai Magnesium Co., Ltd. in June 2016, and the remaining amount of capital has not been wired back to Taiwan.

Note 16: The paid-in capital of US\$71,010,000 and RMB8,956,820 are the proceeds from the liquidated shares in Catcher Technology (Suzhou) Co., Ltd. The amounts from the capital reduction in Topo Technology (Suzhou) Co., Ltd. and in Meecca Technology (Suzhou Industrial Park) Co., Ltd. are invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

TABLE 9

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Unfinished Construction and equipment Pending acceptance	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 2,179,324	\$ 3,043,754	\$ 7,893,912	\$ 37,699	\$ 57,438	\$ 840,809	\$ 60,958	\$ 14,113,894
Additions	398,224	60,738	136,811	675	2,477	55,053	-	653,978
Disposals	-	-	(124,845)	(879)	(2,286)	(32,367)	-	(160,377)
Reclassifications	-	60,957	57,399	-	-	330	(60,958)	57,728
Balance at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 3,165,449</u>	<u>\$ 7,963,277</u>	<u>\$ 37,495</u>	<u>\$ 57,629</u>	<u>\$ 863,825</u>	<u>\$ -</u>	<u>\$ 14,665,223</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 568,655	\$ 5,706,953	\$ 27,144	\$ 40,496	\$ 623,337	\$ -	\$ 6,966,585
Depreciation expense	-	79,621	692,765	4,749	6,583	103,343	-	887,061
Disposals	-	-	(123,507)	(765)	(2,287)	(28,324)	-	(154,883)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 648,276</u>	<u>\$ 6,276,211</u>	<u>\$ 31,128</u>	<u>\$ 44,792</u>	<u>\$ 698,356</u>	<u>\$ -</u>	<u>\$ 7,698,763</u>
Carrying amount at December 31, 2021	<u>\$ 2,577,548</u>	<u>\$ 2,517,173</u>	<u>\$ 1,687,066</u>	<u>\$ 6,367</u>	<u>\$ 12,837</u>	<u>\$ 165,469</u>	<u>\$ -</u>	<u>\$ 6,966,460</u>
<u>Cost</u>								
Balance at January 1, 2022	\$ 2,577,548	\$ 3,165,449	\$ 7,963,277	\$ 37,495	\$ 57,629	\$ 863,825	\$ -	\$ 14,665,223
Additions	-	4,189	49,546	-	12,724	62,360	-	128,819
Disposals	-	-	(232,659)	(481)	(1,401)	(13,457)	-	(247,998)
Reclassifications	(712,166)	(25,619)	2,243	-	-	1,318	-	(734,224)
Balance at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 3,144,019</u>	<u>\$ 7,782,407</u>	<u>\$ 37,014</u>	<u>\$ 68,952</u>	<u>\$ 914,046</u>	<u>\$ -</u>	<u>\$ 13,811,820</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 648,276	\$ 6,276,211	\$ 31,128	\$ 44,792	\$ 698,356	\$ -	\$ 7,698,763
Depreciation expense	-	80,997	607,379	2,604	6,628	90,719	-	788,327
Disposals	-	-	(224,851)	(281)	(1,401)	(13,197)	-	(239,730)
Impairment loss	-	-	(7,497)	-	-	-	-	(7,497)
Reclassifications	-	(691)	-	-	-	-	-	(691)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 728,582</u>	<u>\$ 6,651,242</u>	<u>\$ 33,451</u>	<u>\$ 50,019</u>	<u>\$ 775,878</u>	<u>\$ -</u>	<u>\$ 8,239,172</u>
Carrying amount at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 2,415,437</u>	<u>\$ 1,131,165</u>	<u>\$ 3,563</u>	<u>\$ 18,933</u>	<u>\$ 138,168</u>	<u>\$ -</u>	<u>\$ 5,572,648</u>

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STATEMENT 1**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Maturity Date	Interest Rate (%)	Amount
Cash on hand			\$ 408
Deposits			
Demand deposits			614,640
Foreign currency deposits (Note 1)			3,746,667
Cash Equivalents			
Time deposits (Note 2)	2023.01	4.15-4.57	<u>5,120,220</u>
			<u>\$ 9,481,935</u>

Note 1: Including US\$ 122,199,937.36, RMB 3,840.66

Note 2: Including US\$ 167,000,000
(US \$1=NT \$ 30.66, RMB 1=NT \$ 4.383)

STATEMENT 2**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF FINANCIAL ASSET AT AMORTIZED COST - CURRENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

Item	Rate (%)	Maturity Date	Amount
Current			
Time deposits with original maturity of more than 3 months (Note 1)	3.57-4.15	2023.01.30-2023.03.16	\$ 8,545,862
Restricted bank deposit (Note 2)	-	-	6,838,314
Restricted deposit (Note 3)	4.10-4.14	2023.01.05	<u>7,848,960</u>
			<u>\$ 23,233,136</u>
Non-current			
Restricted bank deposit (Note 4)			\$ 12,838
Restricted deposit (Note 5)	-	-	25,367,338
Time deposits with original maturity of more than 1 year (Note 6)	3.65-5.11	2023.01.13-2023.04.24	282,072
Refundable deposits	-	-	<u>1,694</u>
			<u>\$ 25,663,942</u>

Note 1: Including US\$ 278,730,000

Note 2: Including US\$ 223,037,000

Note 3: Including US\$ 256,000,000

Note 4: Including US\$ 418,719.54

Note 5: Including US\$ 827,375,685.76

Note 6: Including US\$ 9,200,000
(US \$1=NT \$ 30.66)

STATEMENT 3**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Customer Name	Amount
Customer A	\$ 1,224,864
Customer B	260,586
Customer C	125,943
Customer D	99,461
Others (Note 2)	<u>206,460</u>
	1,917,314
Less: Allowance for impairment loss	<u>(8,438)</u>
	<u>\$ 1,908,876</u>

Note 1: The aging of all customers are not past due over 1 year.

Note 2: The amount of individual customer included in others does not exceed 5% of the account balance.

STATEMENT 4**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Merchandise	\$ 4,980	\$ 40,389
Finished goods	717,551	924,214
Work-in-process and semi-finished goods	387,983	584,510
Raw materials	32,950	32,983
Supplies	<u>49,020</u>	<u>82,617</u>
	<u>\$ 1,192,484</u>	<u>\$ 1,664,713</u>

Note 1: Market price as net realizable value

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI – NON-CURRENT
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2022		Additions		Unrealized Gain (loss) on Financial Assets at FVTOCI	Balance, December 31, 2022		Fair Value (Note)	Collateral
	Shares	Amount	Shares/Units	Amount		Shares	Amount		
Unlisted shares									
Alpha Information Systems, Inc.	1,500,000	\$ -	-	\$ -	\$ -	1,500,000	\$ -	\$ -	None
CDIB Capital Innovation Accelerator Co., Ltd.	3,000,000	36,240	-	-	21,090	3,000,000	57,330	57,330	None
		<u>\$ 36,240</u>		<u>\$ -</u>	<u>\$ 21,090</u>		<u>\$ 57,330</u>	<u>\$ 57,330</u>	

Note: Fair value is based on the investee company's most recent net asset value.

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2022		Additions (Reductions)		Note	Cash dividends	Gain (loss) on Investments	Cumulative Translation Adjustment	Balance, December 31, 2022				
	Shares	Amount	Shares/Units	Amount					Shares	Proportion of Ownership (%)	Amount	Fair Value	Collateral
Investment accounted for using the equity method													
Nanomag International Co., Ltd.	30	\$152,280,408	-	\$ (40,295)	Note 1	\$ (19,311,000)	\$ 4,527,082	\$ 14,677,849	30	100	\$152,134,044	\$152,320,282	None
Gigamag Co., Ltd.	14,377,642	827,183	-	-		-	929,850	177,067	14,377,642	100	1,934,100	1,934,100	None
Yue-Kang Health Control Technology Inc.	7,200,000	8,050	(5,760,000)	-		-	(5,281)	-	1,440,000	45	2,769	2,769	None
Ke Yue Co., Ltd.	198,390,000	2,976,267	-	(11,720)	Note 2	-	(55,099)	1,300	198,390,000	100	2,910,748	2,910,748	None
Yi Sheng Co., Ltd.	73,270,000	1,018,111	-	(4,636)	Note 3	-	49,575	622	73,270,000	100	1,063,672	1,063,672	None
Yi De Co., Ltd.	73,270,000	1,021,328	-	9,531	Note 4	-	51,487	537	73,270,000	100	1,082,883	1,082,883	None
Catcher Medtech Co., Ltd.	2,000,000	200,009	-	-		-	(4,565)	-	2,000,000	100	195,444	195,423	None
		<u>\$158,331,356</u>		<u>\$ (47,120)</u>		<u>\$ (19,311,000)</u>	<u>\$ 5,493,049</u>	<u>\$ 14,857,375</u>			<u>\$159,323,660</u>	<u>\$159,509,877</u>	

Note 1: Including the recognized subsidiaries' salaries payable of \$92,425 thousand, adjustment of unrealized profit of \$17,266 thousand and realized profit of \$10,781 thousand of subsidiaries and the recognized unrealized loss of \$126,235 thousand on subsidiaries' investments in equity instruments at FVTOCI.

Note 2: Including the recognized unrealized loss of \$11,533 thousand on subsidiaries' investments in equity instruments at FVTOCI and the decrease of \$187 thousand of recognized changes in equities of associates.

Note 3: Including the recognized unrealized loss of \$4,546 thousand on subsidiaries' investments in equity instruments at FVTOCI and the decrease of \$90 thousand of recognized changes in equities of associates.

Note 4: Including the recognized unrealized loss of \$9,609 thousand on subsidiaries' investments in equity instruments at FVTOCI and the decrease of \$78 thousand of recognized changes in equities of associates.

STATEMENT 7**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 180,350	\$ 25,095	\$ 205,445
Additions	9,182	3,507	12,689
Deductions	<u>-</u>	<u>(3,720)</u>	<u>(3,720)</u>
Balance at December 31, 2022	<u>\$ 189,532</u>	<u>\$ 24,882</u>	<u>\$ 214,414</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 16,101	\$ 16,330	\$ 32,431
Depreciation	<u>6,042</u>	<u>6,214</u>	<u>12,256</u>
Balance at December 31, 2022	<u>\$ 22,143</u>	<u>\$ 22,544</u>	<u>\$ 44,687</u>
Carrying amount at December 31, 2022	<u>\$ 167,389</u>	<u>\$ 2,338</u>	<u>\$ 169,727</u>

STATEMENT 8**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

	Maturity Date	Interest rate (%)	Balance	Credit Line	Collateral
Borrowings of unsecured loans					
Bank credit loans	2023.01-2023.02	1.30-1.98	\$ 43,696,000	\$ 43,696,000	None
Secured bank loans	2023.01-2023.03	1.30-1.56	<u>13,000,000</u>	13,000,000	Secured
			<u>\$ 56,696,000</u>		

STATEMENT 9**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Vendor A	\$ 71,872
Vendor B	27,211
Vendor C	26,216
Vendor D	21,898
Vendor E	17,594
Vendor F	16,963
Others (Note)	<u>122,896</u>
	<u>\$ 304,650</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

STATEMENT 10**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Summary	Lease Period	Discount Rate (%)	Balance, End of Year	Note
Buildings	Taipei Office	2022.10-2023.06	0.71	\$ 2,339	-
Land	Land at Renai factory	2000.04-2050.04	0.71	<u>129,881</u>	-
				132,220	
Less: mature in one-year				(5,923)	
				<u>\$ 126,297</u>	

STATEMENT 11**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Quantities (Thousands)	Amount
Sale of Goods		
Manufactured products		
Metal casing	7,079	\$ 8,402,267
Less : Sales returns	80	(112,619)
Sales discounts		<u>(3,477)</u>
Net operating revenue		8,286,171
Rental Income		<u>20,167</u>
		<u>\$ 8,306,338</u>

STATEMENT 12**CATCHER TECHNOLOGY CO., LTD.**
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise, beginning of year	\$ 11,033
Add: Merchandise purchased	4,365
Others	12,704
Less: Merchandise, end of year	<u>4,980</u>
Cost of commodity transaction	<u>23,122</u>
Raw materials, beginning of year	65,826
Add: Raw material purchased	1,036,051
Less: Raw materials, end of year	32,950
Others	<u>1,117</u>
Raw material consumption	1,067,810
Direct labor	1,779,251
Manufacturing expenses	<u>3,249,330</u>
Manufacturing cost	6,096,391
Add: Work-in-process and semi-finished goods, beginning of year	386,413
Work-in-process and semi-finished goods purchased	37,392
Others	1,866
Less: Work-in-process and semi-finished goods, end of year	387,983
Others	<u>83,998</u>
Manufacturing cost	6,050,081
Add: Finished goods, beginning of year	689,073
Finished goods purchased	1,333,899
Others	10,814
Less: Finished goods, end of year	717,551
Others	<u>6,043</u>
Finished goods costs of sales	<u>7,360,273</u>
Subtotal	7,383,395
Loss from physical count	(10,503)
Revenue from sale of scraps	(660,926)
Cost of others	<u>30,197</u>
The cost of inventories	6,742,163
Gain on disposals of property, plant and equipment	(23,886)
Rental Cost	<u>9,001</u>
	<u><u>\$ 6,727,278</u></u>

STATEMENT 13**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	\$ 33,520	\$ 154,315	\$ 219,857	\$ 407,692
Depreciation	3,742	26,824	16,224	46,790
Export expense	111,154	-	-	111,154
Donation	-	23,627	-	23,627
Professional service fee	-	16,992	554	17,546
Test fee	-	-	116,047	116,047
Others	<u>38,972</u>	<u>119,054</u>	<u>70,166</u>	<u>228,192</u>
Total	<u>\$ 187,388</u>	<u>\$ 340,812</u>	<u>\$ 422,848</u>	<u>\$ 951,048</u>

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	\$ 2,214,267	\$ 407,692	\$ 2,621,959	\$ 2,407,420	\$ 383,213	\$ 2,790,633
Labor and health insurance	222,344	33,182	255,526	243,654	32,293	275,947
Post-employment benefits	79,343	16,952	96,295	84,469	15,551	100,020
Remuneration of directors	-	19,228	19,228	-	17,618	17,618
Others	139,633	12,436	152,069	161,714	18,440	180,154
	<u>\$ 2,655,587</u>	<u>\$ 489,490</u>	<u>\$ 3,145,077</u>	<u>\$ 2,897,257</u>	<u>\$ 467,115</u>	<u>\$ 3,364,372</u>
Depreciation	\$ 759,731	\$ 46,790	\$ 806,521	\$ 858,195	\$ 45,849	\$ 904,044
Amortization	5,825	17,027	22,852	17,263	14,730	31,993

Note1: For the years ended December 31, 2022 and 2021, there were 4,233 employees and 4,791 employees in the Company, respectively. In addition, the Company had 4 non-employee directors for the years then ended.

Note 2: Average labor cost for the years ended December 31, 2022 and 2021 were NT\$739 thousand and NT\$699 thousand, respectively.

Note 3: Average salary and bonuses for the years ended December 31, 2022 and 2021 were NT\$620 thousand and NT\$583 thousand, respectively. The average salary and bonuses Increase by 6.35% year-over-year.

Note 4: The Company has established the audit committee, and the remuneration of independent directors was included and disclosed in "Remuneration of directors".

Note 5: The remuneration policy was as follows:

1. Remuneration of directors is determined based on several indicators, including industry standard, operational performance, devoted time, and contribution to the Company. The total amounts paid should comply with the Company's Articles of Incorporation.
2. Compensation of managers is determined based on several indicators, including devoted time, responsibility, and performance. The total amounts paid should comply with the Company's Articles of Incorporation.
3. Employee benefits include basic monthly salary, bonus and compensation of employees. Basic monthly salary is determined based on comparison with the market condition and the Company's policy. Bonus and compensation of employees are determined based on the employees' contribution to the Company or the performance. Compensation of employee is determined based on the Company's Article of Incorporation and shall be approved by board of directors.