

**CATCHER TECHNOLOGY CO., LTD**  
**2021 ANNUAL SHAREHOLDERS' MEETING MINUTES**

(Translation)

**DISCLAIMER:**

For the convenience of readers, the procedure, agenda, attachments, resolutions, meeting minutes and appendix of CATCHER's Annual Shareholders' meeting have been translated into English from the original Chinese version prepared and used in Taiwan, 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 version shall prevail.

Date and time: August 27, 2021 at 10:00 a.m. (Friday)

Location of the Meeting: Tainan Municipal Chongming Junior High School (No. 700, Chongming Rd., East Dist., Tainan City)

Total outstanding Catcher shares: 761,618,068 shares

Total shares represented by shareholders present in person or by proxy: 576,581,409 shares (the number of shares attended through electronic means is 477,125,738 shares)

Percentage of shares held by shareholders present in person or by proxy: 75.70%

Chairman: Shui-Shu Hung, the Chairman of the Board of Directors

Participants: Shui-Sung Hung, Director  
Mon-Huan Lei, Director  
Wen-Che Tseng, Independent Director  
Tsorng- Juu Liang, Independent Director  
Ming-Yang Cheng, Independent Director  
Chi-Chen Lee, Independent Auditor  
Wen-Chung Yeh, Special Assistant to Chairman's Office

Recorder: Yu-Fen Wang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**A. Chairman's Address (omitted)**

**B. Report Items**

1. To report 2020 business report  
Explanatory Notes: Please refer to Attachment I.
2. To report 2020 Audit Committee's review report  
Explanatory Notes: Please refer to Attachment II.
3. 2020's distribution of employees and directors' compensation  
Explanatory Notes: Please refer to Attachment III.
4. To report distribution of 2020 profits  
Explanatory Notes: Please refer to Attachment IV.

**C. Matters for Ratification**

1. To accept 2020 Business Report and Financial Statements (Proposed by the Board of Directors)  
Description:  
(1) CATCHER's 2020 Business Report and Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Shareholders' Equity, and Cash Flow Statements, were approved by board of directors. The Financial Statements were audited by independent auditors, Ms. Chi Chen Lee and Ms. Lee Yuan Kuo, of Deloitte & Touche and also reviewed by Audit Committee. 2020 business report please refer to Attachment I. The aforementioned Financial Statements and Auditors' report are attached hereto as Attachments V.  
(2) Please accept the 2020 Business Report, Financial Statements, and Consolidated Financial Statements.

Voting Results: Shares present at the time of voting: 576,581,409

Voting Results*	% of the total represented share present
Votes for: 514,474,957 votes (415,081,286 votes)	89.22%
Votes against: 194,221 votes (194,221 votes)	N.A.
Votes invalid: 52,000 votes	N.A.
Votes abstained: 61,860,231 votes (61,850,231 votes)	N.A.

\*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

2. To approve the proposal for distribution of 2020 profits (Proposed by the Board of Directors)  
Description:  
The Company's 2020 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee. Please accept the proposal for profits distribution. Please refer to Attachment IV for the 2020 profits distribution table.



Voting Results: Shares present at the time of voting: 576,581,409

Voting Results*	% of the total represented share present
Votes for: 511,576,271 votes (412,182,600 votes)	88.72%
Votes against: 6,397,591 votes (6,397,591 votes)	N.A.
Votes invalid: 52,000 votes	N.A.
Votes abstained: 58,555,547 votes (58,545,547 votes)	N.A.

\*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

#### D. Matters for Discussion

1. To approve the issuance of new common shares for cash and/or issuance of Global Depository Receipt (GDR) (Proposed by the Board of Directors)

Description:

In response to future capacity expansion, replenishment of working capital and long-term development via more diversified and flexible funding sources, it is hereby proposed that the shareholders meeting authorize the Board of Directors ("Board") to raise funds, depending on market conditions and the Company's funding demand, and at an appropriate timing, to issue new commons shares for cash and/or issue Global Depository Receipts (GDRs), in accordance with the applicable laws and pertinent regulations. Relevant methods of issuance and contents of the proposal are as follows:

- (1) Authorize the Board of Directors to issue new common shares for cash to sponsor GDR Offering, in accordance with the following principles:
  - (i) The new share issuance is limited up to 50,000,000 shares. The Board of Directors and Chairman of CATCHER are authorized to adjust the new share issuance based on the aforementioned quota.
  - (ii) The new common shares issued for cash to sponsor GDR Offering will be priced with reference to the closing price of the Company's common shares on the pricing date or the average of the closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date (referred to hereinafter as the "reference price"). The actual price shall not be less than 90% of the reference price. The Chairman is authorized to determine the actual issuance price in accordance with market conditions or regulations as required. The reference price and the actual price will be decided in accordance with market practice and applicable laws. The new shares issuance that the Company is authorized to issue, assuming the proposed issuance cap of 50,000,000 shares is completely utilized for issuance of common shares, would represent 6.6% of the Company's total outstanding shares prior to the record date for the Company's 2021 annual shareholders meeting. Given that the issuance of new shares is going to enhance company's competitiveness and then increase shareholders' value, thus it is unlikely that the dilutive effect of such issuance would result in significant impact to the rights of the original shareholders.
  - (iii) For issuance of new shares to sponsor the issuance of Global Depository Receipt ("GDR Issuance") for cash consideration, 10% to 15% of the newly issued shares shall be reserved for subscription by employees of the Company in accordance with Article 267 of the Company Act, the remaining 85% to 90% of the newly issued shares shall be offered to the public pursuant to Article 28-1 of the Securities and Exchange Act as underlying securities to sponsor the DR Issuance. In case the employees waive their rights or any shares remain unsubscribed, the Chairman is authorized to contact specific persons to subscribe to the remaining shares, or to allocate the remaining shares as the underlying shares of GDR offering.
  - (iv) The issuance plan is expected to achieve one or a combination of the following objectives: building facilities or purchasing factories, equipment, materials, enhancement of the Company's working capital and paid-in capital, funding for investment, and repayment of Company debts. Aforementioned objectives are expected to complete in three years after shares issuance. The implementation of the shares issuance is expected to strengthen the competitiveness of the Company, enhance its operating efficiency and will have a positive impact on the rights and interests of the shareholders.
  - (v) It is proposed that the shareholders' meeting approves and authorizes the Board of Directors with full power to decide, adjust, amend and implement the share-issuance plan, including actual issue price, number of shares to be issued, issuance terms, proposed items, offering size, progress and projected effects, as well as all matters related to the GDR issuance plan. It is also proposed that the shareholders authorize the Chairman to approve and determine relevant matters on behalf of the Company.
  - (vi) It is proposed that the shareholders authorize the Chairman or his designated person to approve and sign all documents related to the GDR issuance, and to handle all relevant matters on behalf of the Company.
  - (vii) After the approval of this offering by authorities, the Chairman is authorized to handle or complete all the process or matters with regard to the issuance of new shares.
  - (viii) The Chairman is fully authorized to handle any matters not fully provided for above in accordance with the law.
- (2) Authorizing Board for the Issuance of new common shares for cash in public offering:
  - (i) The new share issuance is limited up to 50,000,000 shares.
  - (ii) The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the Taiwan Securities Association's Self-regulatory Rules Governing the Provision of Advisory Services by Underwriters Members to Issuing Companies for Offering and Issuing Securities and the market conditions. The issue price shall be reported to the regulatory authority before issuance.
  - (iii) It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s) :
    - (a) Except that 10% to 15% of the new shares shall be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. In case the employees waive their rights or any shares remain unsubscribed, the Chairman is authorized to contact specific persons to subscribe to the remaining shares at the issue price.
    - (b)
      - i. Except that 10% to 15% of the new shares shall be offered to employees in accordance with Article 267, Paragraph



I of the Company Act, it is proposed that 10% of the new shares shall be sold in the public offering through the underwriter(s) and the remaining shares shall be subscribed to by the existing shareholders of the Company in accordance with their shareholding. In case the existing shareholders or the employees waive their rights or any shares remain unsubscribed, the Chairman is authorized to contact specific persons to subscribe to the remaining shares at the issue price.

- ii. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the Taiwan Securities Association's Self-regulatory Rules Governing the Provision of Advisory Services by Underwriters Members to Issuing Companies for Offering and Issuing Securities and the market conditions. The issue price shall be reported to the regulatory authority before issuance.
- (c) The Chairman is authorized to determine the method of issuance in public offering, and to handle any matters not fully provided for above in accordance with the law.
- (iv) The rights of the new shares are equivalent to the current outstanding shares.
- (v) The issuance plan is expected to achieve one or a combination of the following objectives: building facilities or purchasing factories, equipment, materials, enhancement of the Company's working capital and paid-in capital, funding for investment, and repayment of Company debts. Aforementioned objectives are expected to complete in three years after shares issuance. The implementation of the shares issuance is expected to strengthen the competitiveness of the Company, enhance its operating efficiency and will have a positive impact on the rights and interests of the shareholders.
- (vi) It is proposed that the shareholders' meeting approves and authorizes the Board of Directors with full power to decide, adjust, amend and implement the share-issuance plan, including actual issue price, number of shares to be issued, issuance terms, proposed items, offering size, progress and projected effects, as well as all matters related to the share issuance plan. It is also proposed that the shareholders authorize the Chairman to approve and determine relevant matters on behalf of the Company.
- (vii) After the approval of this offering by authorities, the Chairman is authorized to determine the matters related to the issuance, including but not limit to record date etc.
- (viii) The Board of Directors is authorized to handle, complete, or adjust all the process or matters with regard to the issuance of new shares in accordance with the law and market condition.
- (ix) The Chairman is fully authorized to handle any matters not fully provided for above in accordance with the law.

Voting Results: Shares present at the time of voting: 576,581,409

Voting Results*	% of the total represented share present
Votes for: 467,689,130 votes (368,295,459 votes)	81.11%
Votes against: 36,988,259 votes (36,988,259 votes)	N.A.
Votes invalid: 52,000 votes	N.A.
Votes abstained: 71,852,020 votes (71,842,020 votes)	N.A.

\*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

E. Extempore Motions: None

F. Adjournment: the Shareholders' Meeting was adjourned at 10:22 a.m. on the same day.  
(The minutes of 2021 annual general shareholders' meeting recorded the key points of the meeting and only noted the voting results of each resolution or discussed item. The content and process of the meeting and the inquiries of shareholders should refer to the records and the videos of the meeting.)



## 2020 Business Report

Dear Shareholders,

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

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

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

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

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

### Industry Development and Outlook

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

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

Although nowadays there are a number of options for materials and manufacturing processes, only metal can provide best-in-class quality, structure, intensity, and complete protection for casing. Among high-end structure components, metal structure components are mostly adopted in the supply chain and also enjoy the best cost efficiency for mass production. Catcher has diversified manufacturing skills including aluminum extrusion, die casting, stamping, forging, and insert molding. Among these skills, aluminum extrusion is the most popular technique used in high-end products. Used in the unibody process, aluminum extrusion provides high quality, lightness, thinness and firmness; these advantages cannot be replaced by other material or process. Metal is also a green material, which can be fully recycled for the best benefit of the globe. Given the large capacity requirement and the features as aforementioned, we see a more predictable trend for material, process, and design in the casing sector. For mid- and high-end products, metal is still the best solution. "Unibody" is the core product and competitive advantage for Catcher.

### Financial performance

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

### Operation Results (Group)

Unit: in thousand NTD

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



### Profitability (Group)

Item		2020	2019
Return on Assets		9%	5%
Return on Equity		14%	8%
Percentage of Capital	Operating Income	196%	183%
	Income before Tax	536%	259%
Net Income to Sales		26%	12%
Basic EPS (NTD\$)		27.65	14.63

### Research and Development

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

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

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

### Business strategies

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

Besides achieving business goals, Catcher also puts efforts in Corporate Social Responsibility (CSR). Catcher has built up a dedicated team focusing on corporate social responsibility. Catcher has taken a series of actions to implement CSR into operations, including CSR report publication, green energy investment, promotion of the investigation on greenhouse-gas, goal setting for energy saving and carbon reduction, Catcher also participated in charitable activities, earned Sports Enterprise Certification, and enhanced the communication with stakeholders.

### Important sales policies

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

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

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

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

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

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



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

## Business outlook and goals

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

Regarding notebook (NB), due to the increased demand for remote office and education during the pandemic, Morgan Stanley pointed out that global NB shipment was 220 million units in 2020, which is increased by 29% compared with 170.7 million units in 2019. As the impact of the pandemic continues, working from home and home education become the new normal. Therefore, despite the high base of 2020, Morgan Stanley estimates that the NB market will continue to grow by 21.9% to 267.9 million units in 2021. The notebook market continues to have a phenomenon where demand gradually concentrates on the top brands. Besides, brand customers have gradually increased their specifications, resulting in a continuous increase in the penetration rate of high-end metal cases or hybrid designs. Since the second half of 2020, due to the shortage of chips and limited components, the brand factories has prioritized to high-end products. Therefore, high-end notebooks are expected to continue to grow, and Catcher also expects that NB products will continue to grow in 2021.

Morgan Stanley indicates that the shipment of Tablet PC in 2020 was around 164 million units, compared with 145 million in 2019, up by 13%. They forecast that tablets will continue to increase to 168/175 million units in 2021/2022. Even though big screen smartphones replace some demand of small tablets, tablets still create its own market segmentation due to the launch of big tablets, trend of 2-in-1 and needs for education. After development in the past few years, the concentration of tablet market is getting higher. Considering the strength requirement of the shell of portable mobile device, metal casing is definitely one of the most significant specs and important driver for Catcher's 2021 revenue sales.

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

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

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

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

In the medical industry, Catcher has invested in the industry for more than ten years and has accumulated considerable technology and capabilities. It has also successfully introduced more than 30% of medical center customers in Taiwan. In the future, the company will apply more active investment strategies to enter the medical field of high-end medical materials and consumables on a larger scale.

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

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

Shui-Shu Hung,  
Chairman





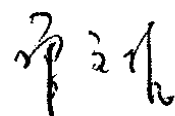
## Attachment II:

### Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Financial Statements. Independent auditors, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Catcher Technology Co., Ltd.

Audit Committee convener



March 10, 2021

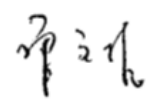


**Audit Committee’s Review Report**

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

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

Chairman of the Audit Committee



April 20, 2021



**Attachment III:**  
**Distribution of Compensation for Employees and Directors**

The Distribution for compensation to Directors and Employees

On March 10, 2021 the Board of Directors resolved the dividends distribution in cash:

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

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



**Attachment IV:****CATCHER Technology**  
**Profits Distribution for 2020**

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

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



# **Attachment V: Independent Auditor's Report and 2020 Financial Statements**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Catcher Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, the Republic of China.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2020 is as follows:

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

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

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

### **Other Matters**

We have also audited the parent company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion.

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

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

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

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



## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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



Notice to Readers

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

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



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 111,882,981	44	\$ 69,017,246	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	349,801	-	324,380	-
Financial assets at amortized cost - current (Notes 4 and 9)	65,333,889	26	82,549,645	34
Note Receivable (Notes 4 and 10)	21	-	-	-
Trade receivables (Notes 4, 10 and 24)	17,317,501	7	23,603,964	10
Other receivables (Note 4 and 10)	306,029	-	656,973	-
Current tax assets (Notes 4 and 26)	90,318	-	23,503	-
Inventories (Notes 4, 5 and 11)	6,003,807	2	14,163,693	6
Other current assets (Note 18)	593,003	-	1,505,128	1
Total current assets	201,877,350	79	191,844,532	79
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	652,880	-	543,130	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	24,585,406	10	994	-
Investments accounted for using the equity method (Notes 4 and 13)	11,583	-	12,295	-
Property, plant and equipment (Notes 4 and 14)	22,567,706	9	41,296,514	17
Right-of-use assets (Notes 4 and 15)	1,245,224	-	1,986,704	1
Investment properties (Notes 4 and 16)	500,299	-	535,848	-
Intangible assets (Notes 4 and 17)	38,004	-	101,455	-
Deferred tax assets (Notes 4 and 26)	4,346,647	2	6,433,654	3
Other non-current assets (Note 18)	78,096	-	359,147	-
Total non-current assets	54,025,845	21	51,269,741	21
<b>TOTAL</b>	<b>\$ 255,903,195</b>	<b>100</b>	<b>\$ 243,114,273</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 19)	\$ 70,465,726	27	\$ 70,352,230	29
Contract liabilities - current (Notes 4 and 24)	12,545	-	25,614	-
Notes payable (Note 20)	-	-	23,824	-
Trade payables (Note 20)	7,691,968	3	11,200,215	5
Other payables (Note 21)	6,924,658	3	8,814,643	4
Current tax liabilities (Notes 4 and 26)	3,997,201	2	1,446,742	-
Lease liabilities - current (Notes 4 and 15)	17,584	-	29,596	-
Other current liabilities (Note 21)	2,352,993	1	1,378,140	-
Total current liabilities	91,462,675	36	93,271,004	38
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4, 5 and 26)	6,197,748	2	1,097,275	1
Lease liabilities - non-current (Notes 4 and 15)	142,925	-	131,173	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	6,558	-	6,558	-
Other non-current liabilities (Note 21)	21,687	-	19,756	-
Total non-current liabilities	6,368,918	2	1,254,762	1
Total liabilities	97,831,593	38	94,525,766	39
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>				
Share capital - ordinary shares	7,616,181	3	7,703,911	3
Capital surplus	20,008,231	8	20,237,791	8
Retained earnings				
Legal reserve	19,532,131	8	18,404,919	8
Special reserve	12,188,506	5	7,410,317	3
Unappropriated earnings	113,024,326	44	106,894,281	44
Total retained earnings	144,744,963	57	132,709,517	55
Other equity	(14,394,310)	(6)	(12,188,506)	(5)
Total equity attributable to owners of the Company	157,975,065	62	148,462,713	61
<b>NON-CONTROLLING INTERESTS</b>	96,537	-	125,794	-
Total equity	158,071,602	62	148,588,507	61
<b>TOTAL</b>	<b>\$ 255,903,195</b>	<b>100</b>	<b>\$ 243,114,273</b>	<b>100</b>

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



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 15 and 24)	\$82,506,032	100	\$91,628,115	100
OPERATING COSTS (Notes 11, 22 and 25)	<u>60,586,781</u>	<u>73</u>	<u>69,361,220</u>	<u>76</u>
GROSS PROFIT	<u>21,919,251</u>	<u>27</u>	<u>22,266,895</u>	<u>24</u>
OPERATING EXPENSES (Notes 22 and 25)				
Selling and marketing expenses	652,469	1	663,740	1
General and administrative expenses	4,746,964	6	5,074,656	5
Research and development expenses	<u>1,584,650</u>	<u>2</u>	<u>2,419,351</u>	<u>3</u>
Total operating expenses	<u>6,984,083</u>	<u>9</u>	<u>8,157,747</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>14,935,168</u>	<u>18</u>	<u>14,109,148</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 28)				
Interest income	2,001,921	3	4,152,640	5
Other income	3,865,654	5	3,366,833	4
Foreign exchange gains (losses), net	(5,625,516)	(7)	(763,882)	(1)
Other gains	26,246,911	32	88,016	-
Interest expenses	(576,237)	(1)	(959,764)	(1)
Share of profit (loss) of associates	<u>(712)</u>	<u>-</u>	<u>(9,730)</u>	<u>-</u>
Total non-operating income and expenses	<u>25,912,021</u>	<u>32</u>	<u>5,874,113</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	40,847,189	50	19,983,261	22
INCOME TAX EXPENSE (Notes 4 and 26)	<u>19,681,121</u>	<u>24</u>	<u>8,685,441</u>	<u>10</u>
NET PROFIT	<u>21,166,068</u>	<u>26</u>	<u>11,297,820</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(27,978)	-	(31,338)	-

(Continued)



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

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

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

(Concluded)



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
	Retained Earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 7,703,911	\$20,238,740	\$15,607,700	\$ 6,207,055	\$108,872,223	\$ (7,401,796)	\$ (8,520)	\$ (7,410,316)	\$ -	\$151,219,313	\$ 105,002	\$151,324,315
Appropriation of the 2018 earnings (Note 23)												
Legal reserve	-	-	2,797,219	-	(2,797,219)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,203,262	(1,203,262)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,244,692)	-	-	-	-	(9,244,692)	-	(9,244,692)
Changes in capital surplus from donations from shareholders	-	473	-	-	-	-	-	-	-	473	-	473
Net profit for the year ended December 31, 2019	-	-	-	-	11,272,124	-	-	-	-	11,272,124	25,696	11,297,820
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(4,746,852)	(31,338)	(4,778,190)	-	(4,778,190)	(4,904)	(4,783,094)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,272,124	(4,746,852)	(31,338)	(4,778,190)	-	6,493,934	20,792	6,514,726
Subscription for additional new shares of the investee at a percentage different from its existing ownership percentage	-	(1,422)	-	-	(4,893)	-	-	-	-	(6,315)	-	(6,315)
BALANCE AT DECEMBER 31, 2019	7,703,911	20,237,791	18,404,919	7,410,317	106,894,281	(12,148,648)	(39,858)	(12,188,506)	-	148,462,713	125,794	148,588,507
Appropriation of the 2019 earnings (Note 23)												
Legal reserve	-	-	1,127,212	-	(1,127,212)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,778,189	(4,778,189)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,616,181)	-	-	-	-	(7,616,181)	-	(7,616,181)
Changes in capital surplus from donations from shareholders	-	907	-	-	-	-	-	-	-	907	-	907
Net profit for the year ended December 31, 2020	-	-	-	-	21,129,820	-	-	-	-	21,129,820	36,248	21,166,068
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,177,826)	(27,978)	(2,205,804)	-	(2,205,804)	1,138	(2,204,666)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	21,129,820	(2,177,826)	(27,978)	(2,205,804)	-	18,924,016	37,386	18,961,402
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	-	(1,796,390)	(1,796,390)	-	(1,796,390)
Cancellation of treasury shares (Note 23)	(87,730)	(230,467)	-	-	(1,478,193)	-	-	-	1,796,390	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(66,643)	(66,643)
BALANCE AT DECEMBER 31, 2020	\$ 7,616,181	\$20,008,231	\$19,532,131	\$12,188,506	\$113,024,326	\$(14,326,474)	\$(67,836)	\$(14,394,310)	\$ -	\$157,975,065	\$ 96,537	\$158,071,602

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



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

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

(Continued)



# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

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

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

(Concluded)



## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of Catcher Technology Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit of the financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2020 is as follows:

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

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



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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of



accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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



Notice to Readers

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

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



**CATCHER TECHNOLOGY CO., LTD.**
**BALANCE SHEETS**
**DECEMBER 31, 2020 AND 2019**
**(In Thousands of New Taiwan Dollars)**

	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 27,670,632	11	\$ 13,553,816	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	348,932	-	324,380	-
Financial assets at amortized cost - current (Notes 4 and 9)	21,518,715	9	34,859,286	16
Notes receivable (Notes 4 and 10)	21	-	-	-
Trade receivables (Notes 4, 10 and 23)	6,552,310	3	14,025,019	6
Trade receivables from related parties (Notes 4 and 29)	3,564,122	2	128,452	-
Other receivables (Notes 4 and 10)	194,851	-	257,708	-
Other receivables from related parties (Notes 4 and 29)	65,392	-	6,493	-
Current tax assets (Notes 4 and 25)	88,129	-	23,503	-
Inventories (Notes 4, 5, 11 and 30)	2,390,466	1	6,074,275	3
Other current assets (Note 17)	218,955	-	86,146	-
Total current assets	<u>62,612,525</u>	<u>26</u>	<u>69,339,078</u>	<u>31</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	84,180	-	89,295	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	24,584,552	10	994	-
Investments accounted for using the equity method (Notes 4 and 12)	146,582,454	61	148,258,024	66
Property, plant and equipment (Notes 4, 13, 29 and 30)	7,147,309	3	7,580,644	3
Right-of-use assets (Notes 4 and 14)	186,555	-	158,373	-
Investment properties (Notes 4 and 15)	226,996	-	229,144	-
Intangible assets (Notes 4 and 16)	10,862	-	46,272	-
Deferred tax assets (Notes 4 and 25)	1,009,798	-	666,510	-
Other non-current assets (Note 17)	72,123	-	40,516	-
Total non-current assets	<u>179,904,829</u>	<u>74</u>	<u>157,069,772</u>	<u>69</u>
<b>TOTAL</b>	<u>\$ 242,517,354</u>	<u>100</u>	<u>\$ 226,408,850</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 70,465,726	29	\$ 65,894,246	29
Contract liabilities - current (Notes 4 and 23)	6,396	-	20,930	-
Trade payables (Note 19)	432,195	-	853,984	-
Trade payables to related parties (Notes 19 and 29)	2,754,244	1	5,317,455	2
Other payables (Note 20)	4,417,085	2	4,457,293	2
Other payables to related parties (Note 29)	92,637	-	1,167,198	1
Lease liabilities - current (Notes 4 and 14)	7,928	-	26,681	-
Other current liabilities (Note 20)	1,598,476	1	25,502	-
Total current liabilities	<u>79,774,687</u>	<u>33</u>	<u>77,763,289</u>	<u>34</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4, 5 and 25)	4,616,427	2	39,149	-
Lease liabilities - non-current (Notes 4 and 14)	135,932	-	130,186	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,558	-	6,558	-
Other non-current liabilities (Note 20)	8,685	-	6,955	-
Total non-current liabilities	<u>4,767,602</u>	<u>2</u>	<u>182,848</u>	<u>-</u>
Total liabilities	<u>84,542,289</u>	<u>35</u>	<u>77,946,137</u>	<u>34</u>
<b>EQUITY (Note 22)</b>				
Share capital - ordinary shares	7,616,181	3	7,703,911	3
Capital surplus	20,008,231	8	20,237,791	9
Retained earnings				
Legal reserve	19,532,131	8	18,404,919	8
Special reserve	12,188,506	5	7,410,317	4
Unappropriated earnings	113,024,326	47	106,894,281	47
Total retained earnings	<u>144,744,963</u>	<u>60</u>	<u>132,709,517</u>	<u>59</u>
Other equity	(14,394,310)	(6)	(12,188,506)	(5)
Total equity	<u>157,975,065</u>	<u>65</u>	<u>148,462,713</u>	<u>66</u>
<b>TOTAL</b>	<u>\$ 242,517,354</u>	<u>100</u>	<u>\$ 226,408,850</u>	<u>100</u>

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



# CATCHER TECHNOLOGY CO., LTD.

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$57,693,223	100	\$64,460,760	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>54,807,851</u>	<u>95</u>	<u>60,787,054</u>	<u>94</u>
GROSS PROFIT	<u>2,885,372</u>	<u>5</u>	<u>3,673,706</u>	<u>6</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	181,508	-	175,678	-
General and administrative expenses	394,028	1	335,950	1
Research and development expenses	<u>551,860</u>	<u>1</u>	<u>667,318</u>	<u>1</u>
Total operating expenses	<u>1,127,396</u>	<u>2</u>	<u>1,178,946</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>1,757,976</u>	<u>3</u>	<u>2,494,760</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	745,251	2	1,730,354	3
Other income	1,265,287	2	37,693	-
Foreign exchange gains (losses), net	(3,625,117)	(6)	(1,026,836)	(2)
Other gains and losses	24,356	-	(17,682)	-
Interest expenses	(462,773)	(1)	(419,037)	(1)
Share of profit of subsidiaries and associates	<u>28,273,363</u>	<u>49</u>	<u>9,795,856</u>	<u>15</u>
Total non-operating income and expenses	<u>26,220,367</u>	<u>46</u>	<u>10,100,348</u>	<u>15</u>
PROFIT BEFORE INCOME TAX	27,978,343	49	12,595,108	19
INCOME TAX EXPENSE (Notes 4 and 25)	<u>6,848,523</u>	<u>12</u>	<u>1,322,984</u>	<u>2</u>
NET PROFIT	<u>21,129,820</u>	<u>37</u>	<u>11,272,124</u>	<u>17</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(5,115)	-	24,315	-

(Continued)



# CATCHER TECHNOLOGY CO., LTD.

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

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

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

(Concluded)



**CATCHER TECHNOLOGY CO., LTD.**
**STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars)**

	Retained Earnings					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, 2019	\$ 7,703,911	\$ 20,238,740	\$ 15,607,700	\$ 6,207,055	\$ 108,872,223	\$ (7,401,796)	\$ (8,520)	\$ (7,410,316)	\$ -	\$ 151,219,313
Appropriation of the 2018 earnings (Note 22)										
Legal reserve	-	-	2,797,219	-	(2,797,219)	-	-	-	-	-
Special reserve	-	-	-	1,203,262	(1,203,262)	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,244,692)	-	-	-	-	(9,244,692)
Changes in capital surplus from donations from shareholders	-	473	-	-	-	-	-	-	-	473
Net profit for the year ended December 31, 2019	-	-	-	-	11,272,124	-	-	-	-	11,272,124
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(4,746,852)	(31,338)	(4,778,190)	-	(4,778,190)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,272,124	(4,746,852)	(31,338)	(4,778,190)	-	6,493,934
Subscription for additional new shares of the investee at a percentage different from its existing ownership percentage	-	(1,422)	-	-	(4,893)	-	-	-	-	(6,315)
BALANCE AT DECEMBER 31, 2019	7,703,911	20,237,791	18,404,919	7,410,317	106,894,281	(12,148,648)	(39,858)	(12,188,506)	-	148,462,713
Appropriation of the 2019 earnings (Note 22)										
Legal reserve	-	-	1,127,212	-	(1,127,212)	-	-	-	-	-
Special reserve	-	-	-	4,778,189	(4,778,189)	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,616,181)	-	-	-	-	(7,616,181)
Changes in capital surplus from donations from shareholders	-	907	-	-	-	-	-	-	-	907
Net profit for the year ended December 31, 2020	-	-	-	-	21,129,820	-	-	-	-	21,129,820
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,177,826)	(27,978)	(2,205,804)	-	(2,205,804)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	21,129,820	(2,177,826)	(27,978)	(2,205,804)	-	18,924,016
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(1,796,390)	(1,796,390)
Cancellation of treasury shares (Note 22)	(87,730)	(230,467)	-	-	(1,478,193)	-	-	-	1,796,390	-
BALANCE AT DECEMBER 31, 2020	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	\$ (14,326,474)	\$ (67,836)	\$ (14,394,310)	\$ -	\$ 157,975,065

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



# CATCHER TECHNOLOGY CO., LTD.

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

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

(Continued)



# CATCHER TECHNOLOGY CO., LTD.

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

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

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

(Concluded)