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CATCHER TECHNOLOGY CO., LTD

2020 Annual Report

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https://mops.twse.com.tw
Catcher Technology's Annual Report is available at: http://www.catcher-group.com

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2. **Address and telephone number of headquarter, branch office, and factory**

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3. **Name, address, webpage, and telephone number of the agency handling shares transfer**

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Address: 5th Floor, No 83, Sec. 1, ChungQing South Rd., Taipei City 100, Taiwan (R.O.C.)

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4. **Names of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of said person's accounting firm**

Accountant: Chi Chen Lee, Lee Yuan Kuo

Firm: Deloitte & Touche

Address: 13F., No.189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City 700, Taiwan (R.O.C.)

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5. **Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities**

Luxembourg Stock Exchange, code EMTF

Disclosed information can be found at BLOOMBERG Website

6. **Webpage of the Company**

http://www.catcher-group.com

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One、Letter to Shareholders

Dear Shareholders,

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

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

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

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

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

Industry Development and Outlook

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

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

Although there are numerous number of material and process on the market, only metal can provide this best-in-class quality, structure, intensity, and complete protection for the casing. In the high-end structure component, metal structure components possess the most complete supply chain, and best cost structure for mass production. Catcher has diversified manufacturing skills such as aluminum extrusion, die casting, stamping, forging, and insert molding. Among those skills, aluminum extrusion used in unibody process can provide high quality, lightness, thinness, and firmness, which cannot be replaced by other material or process and is still the most popular technique used in high end products. Besides, metal is a green material, which can be fully recycled for the best benefit of the globe. The large capacity requirement, along with the features mentioned above, we see a more predictable trend for material, process, and design in casing sector. For the mid-high end products, metal is still the best solution. Either aluminum, or stainless steel; the whole casing or frame design, belongs to the definition of “unibody”, and is the main product and competitive advantage of Catcher.

Financial performance

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

Operation Results (Group) Unit: in thousand NTD

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

Profitability (Group)

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

Research and Development

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

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

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

Business strategies

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

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

Important sales policies

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

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

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

Effects of external competition, legislative environment, and macro environment

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

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

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

Business outlook and targets

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

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

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

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

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

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

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

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

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

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

Chairman Shui-Shu Hung

President Tien-Szu Hung

Accounting Manager Mei-Hsin Chen

Two、Corporate Profile

1. Date of Incorporation: November 23, 1984

2. Milestones

1984: Located in No. 60, lane 77, Hai-zhong street, Tainan city with initial capital of NTD2 million, Catcher began to develop aluminum alloy casting parts for hard drives.

1986: Increased NTD3 million capital in cash and paid-in capital totaled NTD5 million. Commenced mass production for hard drives to supply Micro Science Technology, the largest hard drive manufacturer in Taiwan, and began to develop magnesium alloy die casting technologies.

1987: Magnesium alloy die casting technology developed smoothly, and Catcher received the first order from Prime Company for 5 1/4" floppy drive reading/writing arm.

1988: The Company‟s products quality was highly accepted by customers, and in order to enlarge business size, the Company decided to buy a new land in Yung Kang Industrial Park of 4,958.55 square meters, for building new plants and equipments.

1989: Moved in No. 79, Huan-Gong road, Yong-Kang city, Tainan County, and procured our first hot chamber die casting machine from a German manufacturer to produce magnesium alloy reading/writing arms for hard drives. This mentioned above high-tech machine has even attracted Japanese casting companies‟ attentions and visited the Company purposely. In the same year, the Company purchased Toshiba‟s aluminum alloy die casting machine, 800 tons, and vacuum casting equipments to produce the aluminum alloy casting parts and components. The Company then exported to Japan the aluminum alloy casting parts, which could stand high temperatures up to 400℃.

1990: Increased NTD10 million capital in cash, and paid-in capital totaled NTD15 million. Aggressively developed foreign markets by attending trade exhibitions, included in the USA, Canada, Japan, Germany, Belgium, and Netherlands, to seek for potential customers. The Company‟s foreign orders of magnesium alloy casting parts were used in mobile phone, and the extremely matured technology became our major competitive advantage internationally.

1991: Improve the quality of die casting parts, the Company applied Switzerland vacuum casting technology to its products and achieved very satisfied results. The Company started to export hard drive chassis and casings to Singapore this year, and due to product‟s high quality, sales orders were piling up.

1992: Cash offering of NT$10 million, and paid-in capital totaled NT$25 million. The Company gradually established its reputation in the foreign market, and the Company‟s superior technology and product quality had placed it on international hard drives manufacturers‟ approved vendor lists, too. The Company‟s matured mass production technology in producing précised die casting parts attracted a great many foreign price quotation requirements.

1994: Cash offering of NT$15 million, and paid-in capital totaled NT$40 million. The Company was accredited with ISO 9002 from DNVI and started to cooperate with Acer Inc., one of the largest PC brand names manufactures in Taiwan, to develop notebook PC components made by magnesium alloys casting parts.

1995: Cooperated with Acer Inc., to develop notebook PC components made by magnesium alloys casting parts.

1996: Paid-in capital totaled NTD80 million, after re-capitalization from retained earnings and surplus of NTD20 million in June, respectively. The Company introduced Taiwan first Magnesium alloy chassis for NB at that time, and offered outstanding thermal and EMI solution to notebook PC manufacturers.

1997: Increased the paid-in capital to NTD192 million, through cash offering of NTD80 million, and NTD32 million of retained earnings, in April and June, respectively. The Company was accredited with ISO 9001 from BVQI; meanwhile, and its board of directors submitted an IPO proposal on account of company‟s expanding business scale and funds needs, also officially registered the Company‟s name as "Catcher Technology Co., Ltd.". The Company received approval from SFC later, and went public this year.

1998: Procured magnesium alloy casting machines, 500 tons and 200 tons, in May and November, respectively, procured 22 CNC processing machines from May to November, and added 7 more roast-and-plate production lines at the end of the year. Together with the procurements of mentioned above equipments, and to fulfill the growing needs of expanding capacity, the Company again bought in two buildings from court-auction market, which located at No. 5, Huan Gong Road and No. 12, Jung Zhong Road, Yung Kong City. Increased the paid-in capital to NTD 327,030 thousand, through capitalization of NTD 134,400 thousand of retained earnings and NTD630 thousand of employee bonus shares in December. Meanwhile, two new directors and one supervisor were elected; the newly elected supervisor was a delegate from China Development Industrial Bank, a new institutional investor by holding 7.81% outstanding shares of the Company, totaling 1.5M shares in October.

The Company mapped out the Company‟s Enterprise Resource Planning to streamline operation in the late of this year, and was accredited with COMPAQ and DELL in relative business fields. Obviously, all of the mentioned above actions benefited the Company in terms of increase productivity and strengthen globalization.

1999: To meet the expanding production capacity, the Company added 10 more magnesium alloy die casting machines at the end of October, including 500 tons, 315 tons, and 200 tons, respectively, purchased 20 CNC processing machines in June, and acquired in 1 new plant in July.

Capitalized NTD133,512 thousand from retained earnings (included employee bonus of NTD 2,700 thousand) in April, and cash offering of NTD100,000 thousand (2 million shares at a premium NTD50 per share) in May; the paid-in capital totaled NTD 480,542 thousand .The Company‟s shares traded on the ROC over-the-counter market on November 1, 1999.

2000: After cash offering of NTD80,000 thousand (8,000 thousand shares), paid-in capital totaled to NTD560,542 thousand; net proceeds of NTD1,320,000 thousand from the mentioned above cash offering plan, at a premium of NTD165 per share.

Again, increased the paid-in capital to NTD844,413 thousand from retained earnings NTD 283,871 thousand (included NTD3,600 thousand of employee bonus shares), in June. Signed proprietary contract of "reciprocating extrusion process" with National Chin Haw University for licensing this special patent in our 3C, aerospace, and optic products, to improve and innovate the magnesium alloy, and basic magnesium alloy materials. As for the capacity expansion, the Company procured 6 debarring remover machines (from August to December), 35 sets of die casting and polishing robots, 1 high speedy process machines, and 4 computer softwares for mold flow dynamic series analysis. In order to widen our operation space and business scale, we again decided to rent 72,725.4 square meter of land from Taiwan Sugar Co. to build up Ren-Ai main manufacturing base and locate equipments and machines. The Company made every effort to achieve world leading technique as well as the unique global vertical integrated process.

2001: In April, the Company procured cold magnesium die casting machine, 750 tons, 10 units of magnesium alloy casting machine, 125 tons, and 5 packs of coating robots, and die casting robots, for enhancing company‟s current capacity.

In February, the Industrial Bureau of the Ministry of Economic Affairs approved our project of “Leading products development plan”, given another evidence of our superior R&D ability in high-tech products. In July, the Company moved into our Ren-Ai plant with 72,725.4 square meters; the relocation of 5 consolidated facilities ensured the Company to lower the inter-facility‟s production failures, and shorten process cycle, as well as to increase the efficient usage of human resources in material and process, and reduced the costs of communication and transportation in between. After capitalization of NTD176,083 thousand (included NTD7,200 thousand of employee bonus shares), paid-in capital totaled NTD1,020,496 thousand. Furthermore, the Company became the listed stock company in TSE on Sep. 17, 2001. The Company was accredited with product certification from APPLE, MOTOROLA, LG, and SAMSUNG, received orders from international brand names, and produced massive volume in PDA and mobile phones‟ casings.

2002: In March, the Company issued its first secured corporate bond of NTD 700 million with a 2.795% annual coupon rate, defined the bonds as A, B, and C by issuance dates, and paid interests annually. The redemption will be available after the 3rd, 4th, and 5th anniversaries of the issue dates at a rate of 30%, 30%, and 40% of the bond principal.

Driven by increasing demand for developing products and expanding capacity, the Company procured hundreds of CNC process machines and 100 thousand grades clean room mobile phone plating equipment. At the same time, the Company extended business into producing desk- top computer chassis and casings, and received orders from international brand names with satisfied shipment situation. Moreover, our Suzhou base in China began to mass production.

In October, capitalization from retained earnings of NTD265,862 thousand (included NTD10,738 thousand of employee bonus shares) and surplus of NTD51,025 thousand, and paid-in capital totaled NTD1,337,383 thousand.

2003: In September, capitalization from retained earnings of NTD213,607 thousand (included NTD13,000 thousand of employee bonus shares), paid-in capital increases to NTD1,550,990 thousand. Issuance of ECB, accounting for USD 50 million.

2004: To be honored with “first-place award in the Integrated Operating Performance” of the Top 1,000 Taiwanese Corporations in China published by China Credit Information Service in conjunction with the Commercial Times.

In September, capitalization from retained earnings of NT$325,598 thousand (included NT$15,400 thousand of employee bonus shares), paid-in capital increases to NT$1,876,588 thousand dollars.

In Novmber, the converible bond transferring to common shares amounted to US$ 1,500 thousand, with the converible price NT$105. In total, the paid in capital achieved NT$1,881,469 thousand including additional 488,100 common shares issurance.

The subsidiary in China ramped up the capacity, which significient contributes to group business. Catcher invested in TOPO Technology (Suzhou) Co., Ltd. for the need of expansion in capacity.

2005: To be honored with the “most profitable Taiwanese corporation in China” and “third-place award” in the Integrated Operating Performance of the Top 1,000 Taiwanese Corporations in China published by China Credit Information Service in conjunction with the Commercial Times.

Capitalization from retained earning of NT$782,327 thousand (including NT$29,740 thousand of employee bonus shares) in October and paid in capital increased to 2,821,616 thousand dollars. In addition, the Company issued Euro-convertible bond amounted USD 80,000 thousand. For the need of expansion in capacity and organization structure, Catcher invested in Aquila International (Suzhou) Co., Ltd. and off shore company GEMINI International Co., Ltd.

The subsidiary, Topo Technology (Suzhou) Co., Ltd. has started mass production and shipment.

2006: To be honored with “Forbes Asia‟s 200 Best under a billion”.

To be honored with “Number 19 on Asian BusinessWeek 50 Scoreboard”.

To be honored with “Standard & Poor's Blue-Chip Stock”.

Catcher invested in Meeca Technology (Suzhou) Co., Ltd. and in the meantime procured hundreds of CNC process machines and other production equipment as well as operating labors in the fourth quarter. In October, capitalization from retained earnings of NTD1,194,729 thousand (included NTD$25,000 thousand of employee bonus shares) and in addition the Euro-Convertible bond has been transferred to common shares amounted 10,951 thousand shares and paid-in capital increased to NT$4,141,365 thousand dollars.

2007: To be honored with “First-place award in the Top 10 Benchmark Corporation investing in China” and Second-place award in the “Most Qulified Overseas IPO of Top 10 Subsidiary Company in China” of the “Business Groups in Taiwan” published by China Credit Information Service.

Capitalization from retained earning of NT$1,274,442 thousand (including NT$32,000 thousand of employee bonus shares) in October and paid in capital increased to NT$5,415,917 thousand dollars. To integrate and reorganise the offshore investment structure and to ease the management, Cepheus International Co., Limited, Cygnus International Co., Limited, Lyra International Co., Limited, Uranus International Co., Limited were incorporated in Hong Kong and Castmate International Pte. Ltd., Norma International Pte. Ltd., Saturn International Pte. Ltd. were incorporated in Singapore.

2008: Capitalization from retained earning of NT$581,242 thousand (including NT$39,650 thousand of employee bonus shares) in November and paid in capital increased to NT$5,997,159 thousand dollars.

The Company bought in a building located at No. 500, section 2, Bentian Rd.

To comply with the expansion plan of corporate operation and China‟s preferential policy for foreign investment, Catcher set up Catcher Technology (Suqian) Co., Ltd. in China.

2009: The Company was accredited with ISO 14001 in September.

Capitalization from retained earning in November. The paid in capital increased to NT$6,649,085 thousand after the capitalization.

Convertible bonds issued for NT$ 5 billion in December.

The Company invested in 100% owned subsidiaries in China for USD 93 million.

2010 Consolidated sales revenue was 21.8 billion. It achieved the highest record in the history.
Focus on the Unibody Desgin of Samrtphone business, expanded the CNC capacity, and became one of the leading casing company with meaningful CNCcapacity.
Catcher Technology (Suqian) started the mass production.

2011 Consolidated sales revenue was 35.9 billion, net profit was 10.67 billion. Both of sales revenue and net profit in 2011 were the record high.
1st Global Depository Receipts (Issue Amount USD 220,028 thousand with 6,700,000 units) issued in 2011.
2nd domestic unsecured convertible bonds (Total Amount NTD 4.5 billion) issued in 2011.
2011 Job creation Contribution Award by Executive Yuan.
2011 Taiwan‟s Top 100 Innovative Corporate Award by Industrial Development Bureau of the Ministry of Economic Affairs
2012 Taiwan‟s Top 100 High Tech Corporate Award by Business Next Media Group.
Capitalization for Catcher‟s subsidiaries, such as Catcher Technology (Suqian), Catcher Technology (Suzhou), TOPO Technology, and Meeca Technology.
Donations to Japan-Miyagi Prefecture for 311 Great East Japan Earthquake disaster area.

2012 Consolidated sales revenue was 37.0billion, and net profit was 10.89 billion. Both of the sales revenue and net profit in 2012 were the record high.

Catcher was ranked one of the 1,000 fastest growing companies in the world.

Catcher was ranked as No.5 of 2012 Taiwan Corporate Award & No. 3 of Top 10 the Best Profitable Company; No.10 of Top 10 Growth Corporate.

According to the Group's development strategy, Catcher set up VITO Technology (Suqian) Co., Ltd . and Topo Technology (Taizhou) Co. Ltd. which were approved by the Investment Commission.

2013 Consolidated sales revenue was 43.2billion, and net profit was 13.8billion. Both of the sales revenue and net profit in 2013 hit the historical high.
Awarded the best international trades vendors in 2012 by the Bureau of Foreign Trade, MOEA

2014 Consolidated sales revenue was 55.2billion, and net profit was 17.8billion. Both of the sales revenue and net profit in 2014 hit another historical high.

According to the Group's development strategy, Catcher set up Arcadia Technology (Suqian) Co., Ltd ., which was approved by the Investment Commission.

2015 Consolidated sales revenue was 82.4billion, and net profit was 25.1billion. Both of the sales revenue and net profit in 2015 hit historical high.

Forbes magazine voted Catcher technology as one of best top 50 corporations in Asia, the only one from Taiwan.

2016 2016 Consolidated sales revenue was 79.1 billion, and net profit was 22 billion. Both of the sales revenue and net profit in 2016 hit historical 2nd high.

Catcher's awarded by Ministry of Education for “2016 Sport corporation”

Harvard Business Review votes chairman of Catcher Technology as 3rd place of top 50 CEO in Taiwan, and 1st place in the computer perpheral sector.

Nikkei (Japan) voted Catcher technology as one of Top 300 Asian companies.

Catcher Is Awarded by (MIT) Management Institute in Taipei as Exelent Taiwanese Corporation in China

2017 2017 Consolidated sales revenue was 93.3 billion, which recorded another historical record-high.

For the Group's development strategy, Catcher set up Envio Technology (Suqian) Co., Ltd.

Catcher was awarded Forbes Global 2000 and ranked 178th in the growth company segment, and 51st in the global leading company segment

Catcher was ranked the 14th in the Nikkei Asia 300

To eco the “Green Power Program” hosted by the Ministry of Economic Affiars, Catcher voluntarily purchased and consumed 1,000,000 degrees of 2017 green power, which could reduce 528mt of CO_2 emission.

2018 Nominated as 1000 High-Growth Companies Asia-Pacific by Financial Times in 2018

Catcher’s 1st and 2nd plants in Tainan Technology Industrial Park have passed the Cleaner Production Assessment hosted by Industrial Development Bureau, MoEA.

Catcher was ranked the 14th in the Nikkei Asia 300

Catcher was awarded Forbes Global 2000 and ranked 188th in the growth company segment.

Catcher ranked 24th in Forbes Top 100 Digital Companies, 1st among Taiwanese companies.

2018 Consolidated sales revenue was 95.4 billion, which recorded another historical record-

high.
Awarded sport enterprise certificate by Sports Administration, MoE.
Awarded Top 20 Happiness Enterprise of Technology Industry by 1111 Job Bank.

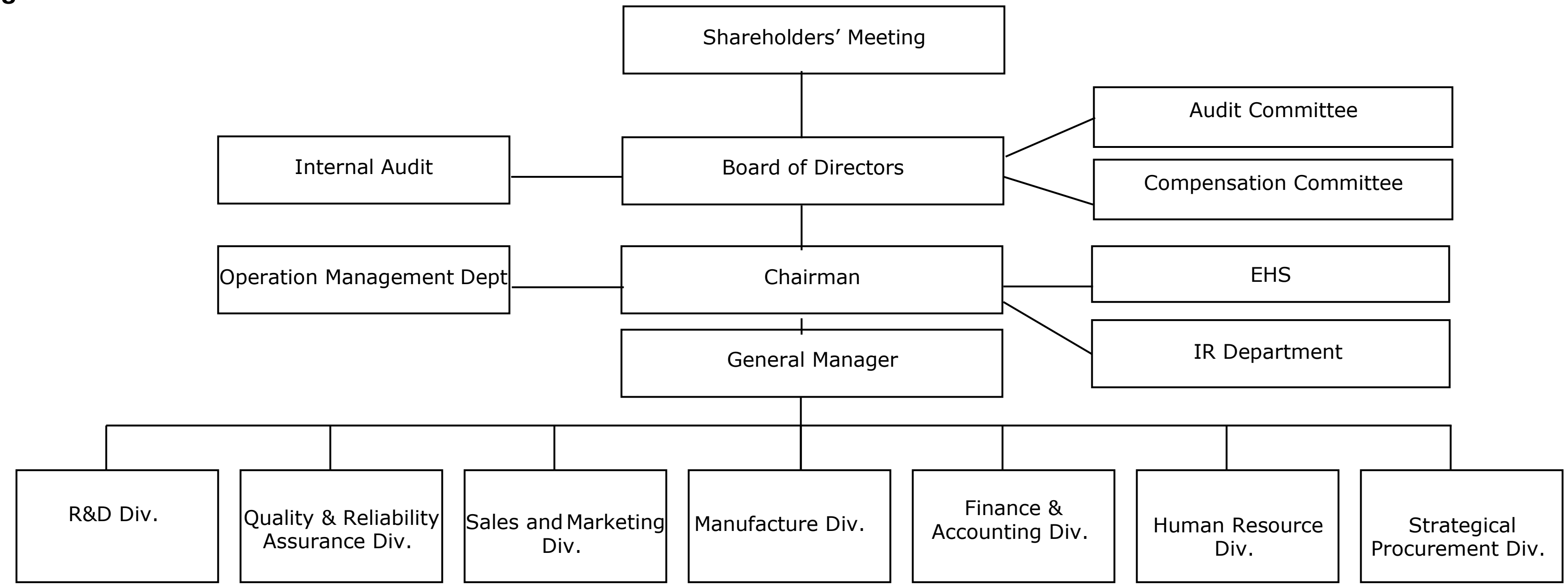
2019 2019 Consolidated sales revenue was 91.6 billion.
2019 top 20 happy companies

2020 Catcher announced to buy back no more than 25mn shares to maintain shareholders' equity.
Catcher Technology chairman Allen Hung has topped Harvard Business Review's biennial rankings of Taiwan's 100 best-performing CEOs.
Catcher was awarded sport enterprise certificate by Sports Administration, MoE for the third time.
100% stakes in Topo Technology (Taizhou) Co. and Meeca Technology (Taizhou) Co. were sold to Lens Technology.

Three、Corporate Governance Report

1. Corporate Organization

(1) Corporate Organization Structure



(2) Organization Functions:

- **Internal Audit**: Internal controls and operational processes auditing and monitoring
- **Operation Management**: Overall business management, strategy and standards establishment and evaluation.
- **R&D**: Technologies, techniques, and manufacture processes research and development.
- **Quality & Reliability Assurance:** Product inspection and quality assurance.
- **Sales and Marketing:** Product branding, marketing, sales and customer service.
- **IR:** Communicate with shareholders and investors, and corporate investment.
- **Manufacture:** Manufacture and processes in diversity module products.
- **Finance & Accounting:** Finance and accounting, investors' relationship, and stock affair management.
- **Human Resource**: Human resource management and organization development.
- **Strategical Procurement:** Procurement strategy and vendor resources management.
- **EHS:** Company's Environment, Safety, and Health issues

2. Information Regarding Directors and Management Team

(1) Directors' Information

2021/02/28; Unit: share

Title	Nationality/ Country of Origin	Name	Gender	Date First Elected	Term (Yr)	Date Elected	Shareholding when Elected		Present Shareholding		Spouse& Minor Shareholding		Specific Person Shareholding		Education& Experience	Also Serves Concurrently as	Other Directors &Supervisors being spouse or immediate relation with Directors & Supervisors		
							Common Share	%	Common Share	%	Common Share	%	Common Share	%			Title	Name	Relation-ship
Director	Taiwan	Shui-Shu Hung	Male	2013.06.13	3	2019.06.12	10,704,834	1.39%	10,704,834	1.41%	18,409,961	2.42%	-	-	Medical School / National Taiwan University Chairman of Catcher Technology	Chairman of Catcher Technology Chairman of Kai-Yi Investment Co., Ltd	Director	Tien-Szu Hung Shui-Sung Hung	Brothers
Director	Taiwan	Tien-Szu Hung	Male	2013.06.13	3	2019.06.12	10,661,889	1.38%	10,661,889	1.40%	15,364,013	2.02%	-	-	Chairman of Chia-Wei Investment Co., Ltd.	General Manager of Catcher Technology Chairman of Chia-Wei Investment Co., Ltd.	Director	Shui-Shu Hung, Shui-Sung Hung	Brothers
Director	Taiwan	Yung Yu Investment Co., Ltd		2020.06.30	2	2020.06.30	10,283,871	1.33%	10,283,871	1.35%	-	0%	-	-	-	-	-	-	-
Representative	Taiwan	Shui-Sung Hung	Male	2020.06.30	2	2020.06.30	-	0%	-	0%	-	0%	-	-	Chairman of De-Neng Investment Co., Ltd.	Chairman of De-Neng Investment Co., Ltd. Supervisor of Yung Yu Investment Co., Ltd	Director	Shui-Shu Hung, Tien-Szu Hung	Brothers
Director	Taiwan	Mon-Huan Lei	Male	2013.06.13	3	2019.06.12	-	0%	-	0%	-	0%	-	-	Medical School / National Taiwan University Adjunct Instructor of National Taiwan University College of Medicine	Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology Assistant administrator of Lotung Poh-Ai Hospital Director of Lo-Hsu Culture and Education Foundation Supervisor of Taiwan Society of Cardiology	–	–	–
Independent Director	Taiwan	Wen-Che Tseng	Male	2019.06.12	3	2019.06.12	-	0%	-	0%	-	0%	-	-	National Cheng Kung University (Masters in Advancement Management) Executive Vice President / Director of the Tax Department, Deloitte & Touche	Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology Independent Director/ Audit Committee Member/Compensation Committee Member of Huayulien Development Co.,Ltd. Independent Director/ Audit Committee Member/Compensation Committee Member of Goldsun Group Independent Director/ Audit Committee Member/Compensation Committee Member of KMC (Kuei Meng) International INC	–	–	–
Independent Director	Taiwan	Tsorng- Juu Liang	Male	2019.06.12	3	2019.06.12	-	0%	-	0%	-	0%	-	-	University of Missouri (Ph.D., Department of Electrical Engineering) National Cheng Kung University(Associate Dean of the School of Electrical Engineering)	Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology Consultant of Leadtrend Technology	–	–	–
Independent Director	Taiwan	Ming-Yang Cheng	Male	2019.06.12	3	2019.06.12	-	0%	-	0%	-	0%	-	-	University of Missouri (Ph.D., Department of Electrical Engineering) National Cheng Kung University (Professor of Electrical Engineering Department)	Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology	–	–	–

Directors' Professional Knowledge and Independence Information

2021.02.28

Criteria / Name	Five or more years of experience or professional qualification			Independence status（Note）												Number of companies also serves as independent director for
	Lecturer or above in business, law, finance, accounting or corporate business related fields	Qualification of justice, procurator, attorney, CPA, specialist or technician of national examination in corporate business related fields	Experience in business, law, finance, accounting or corporate business related fields	1	2	3	4	5	6	7	8	9	10	11	12	
Director Shui-Shu Hung	---	---	Yes	--	--	--	--	--	V	V	--	V	V	V	V	---
Director Tien-Szu Hung	---	---	Yes	--	--	--	--	--	V	V	--	V	V	V	V	---
Director Yung Yu Investment Co., Ltd. (Representative: Shui-Sung Hung)	---	---	Yes	V	--	--	--	V	V	V	--	V	V	V	V	---
Director Mon-Huan Lei	---	---	Yes	V	V	V	V	V	V	V	V	V	V	V	V	---
Independent Director Wen-Che Tseng	---	---	Yes	V	V	V	V	V	V	V	V	V	V	V	V	3
Independent Director Tsorng-Juu Liang	Yes	---	Yes	V	V	V	V	V	V	V	V	V	V	V	V	---
Independent Director Ming-Yang Cheng	Yes	---	Yes	V	V	V	V	V	V	V	V	V	V	V	V	---

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.
1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(2) Managers' Information

2021/02/28; unit: shares

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Present Shareholding		Spouse& Minor Shareholding		Specific Person Shareholding		Education& Experience	Also Serves Concurrently as	Other Directors & Supervisors being spouse or immediate relation with Directors & Supervisors		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
General Manager	Taiwan	Tien-Szu Hung	Male	2016.01.01	10,661,889	1.38%	15,364,013	2.02%	-	-	Chairman of Chia-Wei Investment Co., Ltd. General Manager of Catcher	Chairman of Chia-Wei Investment Co., Ltd.	–	–	–
Vice President	Taiwan	Wen-Chien Chien	Male	2010.01.01	110	0.00%	0	0.00%	-	-	MBA, National Taiwan University Graduate of Advanced Management Program(AMP)/Sloan School of Management, Massachusetts Institute of Technology EMBA/Fudan University Assistant Vice President / Dell Inc., Taiwan Vice President of Sales & Marketing and R&D Department of Catcher Technology Co., Ltd.	Supervisor representative of Smart eCare Inc.	–	–	–
Vice President	Taiwan	Tang-Lung Hsu	Male	2020.10.26	0	0.00%	0	0.00%	-	-	Master of Mechanical Engineering Department / Oregon State University Vice President and Special Assistant of Chairman Office of Catcher Technology Co., Ltd. General Manager of BENQ Chairman and General Manager of Medical Tech Corporation Chairman and CEO of Lily-Medical Corporation General Manager of Product Division of BENQ	Director representative of Smart eCare Inc Representative of Ke Yue Co., Ltd. Representative of Yi Sheng Co., Ltd. Representative of Yi De Co., Ltd.	–	–	–
Vice President	Taiwan	Hsu-Yuan Lee	Male	2005.02.01	0	0.00%	985	0.00%	-	-	Mechanism / National Taipei University of Technology Vice President of R&D Division of Catcher Technology Co., Ltd.	None	AVP	Yu-Yen Lin	Spouse
Vice President	Taiwan	Shih-Te Huang	Male	2020.12.01	0	0.00%	0	0.00%	-	-	Mechanism / National Chin-Yi University of Technology Vice President of Manufacture Department of Catcher Technology Co., Ltd.	None	–	–	–

Special Assistant	Taiwan	Wen-Chung Yeh	Male	2021.01.04	0	0.00%	0	0.00%	-	-	Business School / Boston University AVP of Finance Department and Spokesperson of Teco Electric Machinery	None	–	–	–
Assistant Vice President	Taiwan	Shih-Wei Lee	Male	2007.11.01	0	0.00%	0	0.00%	-	-	Scientific PHD / Ching Hua University R&D manager of Catcher Technology Co., Ltd.	None	–	–	–
Assistant Vice President	Taiwan	Yu-Yen Lin	Female	2005.02.01	985	0.00%	0	0.00%	-	-	St. Cloud State MBA Assistant Vice President of Sale & Marketing of Catcher Technology	None	VP	Hsu-Yuan Lee	Spouse
Assistant Vice President	Taiwan	Mei-Hsing Chen	Female	2012.01.01	54,234	0.01%	0	0.00%	-	-	EMBA / Nan-Tai University Assistant Vice President of Finance & Accounting of Catcher Technology	Director of Catcher Technology's Hong Kong subsidiaries	–	–	–
Associate General Manager	Taiwan	Yi-Fang Feng	Male	2018.10.08	0	0.00%	0	0.00%	-	-	International Business / National Taiwan University Business Administration Master / National Taiwan University Synopsys Taiwan Co., Ltd. Inventec Group Associate General Manager of Sale & Marketing of Catcher Technology	None	–	–	–

(3) The Compensation of Directors, Supervisors, and Managers

A. Director's Compensation

2020/12/31; Unit: thousand NTD

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="8">Remuneration to directors</th><th colspan="2" rowspan="2">Total A,B,C, D as % of EAIT</th><th colspan="8">Compensation for Concurrent Employees</th><th colspan="2" rowspan="2">Total A,B,C,D,E,F,G as % of EAIT</th><th rowspan="2">Remuneration received by investing business other than company subsidiaries</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Retirement pension (B)</th><th colspan="2">Remuneration from distributed earning (C)</th><th colspan="2">Business implementation expenses (D)</th><th colspan="2">Salary, bonuses and special expenses (E)</th><th colspan="2">Retirement pension (F)</th><th colspan="4">Employee compensation (G)</th></tr>
<tr><td>Chairman</td><td>Shui-Shu Hung</td><td rowspan="7">-</td><td rowspan="7">-</td><td rowspan="7">-</td><td rowspan="7">-</td><td rowspan="7">15,523</td><td rowspan="7">15,523</td><td rowspan="7">772</td><td rowspan="7">772</td><td rowspan="7">0.08%</td><td rowspan="7">0.08%</td><td rowspan="7">9,950</td><td rowspan="7">9,950</td><td rowspan="7">256</td><td rowspan="7">256</td><td rowspan="7">71,954</td><td rowspan="7">-</td><td rowspan="7">185,481</td><td rowspan="7">-</td><td rowspan="7">0.47%</td><td rowspan="7">1.00%</td><td rowspan="7">None</td></tr>
<tr><td>General Manager</td><td>Tien-Szu Hung</td></tr>
<tr><td>Director</td><td>Shui-Sung Hung</td></tr>
<tr><td>Director</td><td>Mon-Huan Lei</td></tr>
<tr><td>Independent Director</td><td>Wen-Che Tseng</td></tr>
<tr><td>Independent Director</td><td>Tsorng-Juu Liang</td></tr>
<tr><td>Independent Director</td><td>Ming-Yang Cheng</td></tr>
</table>

*Directors' remuneration for services (e.g. non-employee consultant) to companies as stated in the financial statement in the most recent yearin addition to the disclosed figures: None

Note1: The above mentioned Directors only include the incumbent Directors as of printing date.
Note2: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

Levels of Amounts of Compensation

Remuneration range for directors	Name of the directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
Less than NTD 1,000,000	Meng Huan Lei / Wen-Che Tseng / Tsorng-Juu Liang / Ming-Yang Cheng/ Shui-Sung Hung	Meng Huan Lei / Wen-Che Tseng / Tsorng-Juu Liang / Ming-Yang Cheng/ Shui-Sung Hung	Meng Huan Lei / Wen-Che Tseng / Tsorng-Juu Liang / Ming-Yang Cheng/ Shui-Sung Hung	Meng Huan Lei / Wen-Che Tseng / Tsorng-Juu Liang / Ming-Yang Cheng/ Shui-Sung Hung
NTD 1,000,000(included)～2,000,000 (excluded)				
NTD 2,000,000(included)～3,500,000 (excluded)	Yung Yu Investment Co., Ltd	Yung Yu Investment Co., Ltd	Yung Yu Investment Co., Ltd	Yung Yu Investment Co., Ltd
NTD 3,500,000(included)～5,000,000 (excluded)				
NTD 5,000,000(included)～10,000,000 (excluded)	Shui-Shu Hung/ Tien-Szu Hung	Shui-Shu Hung/ Tien-Szu Hung		
NTD 10,000,000(included)～15,000,000 (excluded)				
NTD 15,000,000(included)～30,000,000 (excluded)				
NTD 30,000,000(included)～50,000,000 (excluded)			Shui-Shu Hung / Tien-Szu Hung	Shui-Shu Hung / Tien-Szu Hung
NTD 50,000,000(included)～100,000,000 (excluded)				
NTD 100,000,000 or More				
Total				

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

B. Managers’ Compensation

2020/12/31; Unit: thousand NTD

Title	Name	Salary (A)		Retirement (B)		Bonus and special expense (C)		Employee compensation from distributed earnings (D) (Note 1)				Total A,B,C,D as % of EAIT		Remuneratio n received by investing business other than company subsidiaries
								Catcher		All consolidated entities				
		Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Cash dividends	Stock dividends	Cash dividends	Stock dividends	Catcher	All consolidated entities	
Chairman	Shui-Shu Hung	17,698	35,972	806	806	2,906	4,026	95,470	-	286,008	-	0.55%	1.55%	None
General Manager	Tien-Szu Hung													
Vice President	Tang-Lung Hsu													
	Wen-Chien Chien													
	Jiun-Yi Wu													
	Shih-Te Huang													
	Hsu-Yuan Lee													
Vice President	Kuo-Hsien Tseng													
	Chun-Lin Kuo													
	I-Wen Yang													
	Ruey-Chang Shu													
	Chia-Fu Cheng													
	Chin-Wen Chung													
	Hsiao-Tsu Liu													

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

Levels of Amounts of Compensation

Remuneration Range for General Manager and Vice Presidents	Name of GMs and Vice Presidents	
	Catcher	All consolidated entities
Less than NTD 1,000,000		
NTD 1,000,000(included)～2,000,000 (excluded)		
NTD 2,000,000(included)～3,500,000 (excluded)		Ruey-Chang Shu
NTD 3,500,000(included)～5,000,000 (excluded)	Shih-Te Huang	Shih-Te Huang/Hsiao-Tsu Liu
NTD 5,000,000(included)～10,000,000 (excluded)	Tang-Lung Hsu / Hsu-Yuan Lee / Jiun-Yi Wu	Tang-Lung Hsu / Jiun-Yi Wu / Chia-Fu Cheng/ Hsu-Yuan Lee
NTD 10,000,000(included)～15,000,000 (excluded)	Wen-Chien Chien	Wen-Chien Chien / Chin-Wen Chung
NTD 15,000,000(included)～30,000,000 (excluded)		Chun-Lin Kuo/ Kuo-Hsien Tseng /I-Wen Yang
NTD 30,000,000(included)～50,000,000 (excluded)	Shui-Shu Hung/Tien-Szu Hung	
NTD 50,000,000(included)～100,000,000 (excluded)		Tien-Szu Hung
NTD 100,000,000 or More		Shui-Shu Hung
Total		

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose

C. Managers’ Compensation

2020/12/31; Unit: thousand NTD

	Title	Name	Stock dividends bonus Market value	Cash Compensation	Total	% of income after tax
Managers	Chairman	Shui-Shu Hung	0	105,534	105,534	0.50%
	General Manager	Tien-Szu Hung				
	Vice President	Wen-Chien Chien				
	Vice President	Jiun-Yi Wu				
	Vice President	Shih-Te Huang				
	Vice President	Tang-Lung Hsu				
	Vice President	Hsu-Yuan Lee				
	Assitant Vice President	Shih-Wei Lee				
	Assitant Vice President	Mei-Hsing Chen				
	Assitant Vice President	Yu-Yen Lin				
	Associate General Manager	Yi-Fang Feng				

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

(4) Comparison of Compensation of Directors and Managers in the Past Two Years

A. Analysis of remuneration as a percentage of income after tax for directors and managers.

Title / Item	% of income after tax				% of increase (decrease)	
	2020		2019			
	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities
Director	0.63%	1.62%	1.12%	1.69%	(0.50%)	(0.10%)
General Manager						
Vice Presidents						

B. The Company‟s remuneration policy is according to the Company‟s development strategy and its personnel policy. The policy is set based on the industry standard. For the most recent two years, the remuneration to general manager and vice presidents includes salary, bonus, and employee compensation of distributed earnings. The salary and bonus are based on the Company‟s personnel policy. The employee compensation of distributed earnings is decided by the Board based on the annual earnings and profit distribution percentage which was approved by shareholders‟ meeting. As of the date of publish, the employee compensation of distributed earnings are yet to be approved by the AGM.

3. Corporate Governance Status

(1)Information of Board Meeting Operation

Number of meetings__7__(A) during the period starting from Jan. 2020 to Dec. 2020, attendance of each director is listed as follows：

Title	Name	Attendance (B)	Proxy Attendance	Attendance rate (%) (B)/(A)	Remarks
Chairman	Shui-Shu Hung	7	0	100.00	Elected on 2019/6/12
Director	Tien-Szu Hung	6	1	85.71	Elected on 2019/6/12
Representative	Shui-Sung Hung	3	0	42.86	Elected on 2020/6/30
Director	Mon-Huan Lei	3	4	42.86	Elected on 2019/6/12
Director	Shui-Sung Hung	2	0	28.57	Removed on April 2020
Independent Director	Wen-Che Tseng	4	3	57.14	Elected on 2019/6/12
Independent Director	Tsorng-Juu Liang	7	0	100.00	Elected on 2019/6/12
Independent Director	Ming-Yang Cheng	7	0	100.00	Elected on 2019/6/12

Annotations:

1. There were no written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion:
   (1) Items as listed in Article 14-3 of Securities and Exchange Act: None.
   (2) Other matters of board of directors meeting which independent directors expressed objection or qualified opinions and with records or statement in writing in addition to the said items: None
2. If there are directors" avoidance of motions in conflict of interest, the directors" names, contents of motion, causes for avoidance and voting should be specified:

Date of the meeting	Name of the Director	Item	Causes for avoidance and voting
2020.3.10	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung	Catcher's Board of Directors resolved to donate to Catcher Education Foundation	Director Shui-Shu Hung serves as Chairman of Catcher Education Foundation, and its second-degree relative shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending directors of the board.
2020.8.12	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung Tsorng-Juu Liang	Catcher's Board of Directors resolved to donate to Catcher Education Foundation	Director Shui-Shu Hung serves as Chairman of Catcher Education Foundation, the spouse of Director Tsorng-Juu Liang serves as Director of the Foundation, and Director Shui-Shu Hung's second-degree relative shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending directors of the board.
2020.8.12	Shui-Shu Hung Tien-Szu Hung Shui-Sung Hung	Catcher distributed 2019 annual manager's compensation	Directors Shui-Shu Hung, Tien-Szu Hung are managers of this Company and its second-degree relative shall conduct avoidance by non-involvement in discussion and voting. The resolution was approved by other attending directors of the Board.

3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."
4. Measures taken to strengthen the functionality of the Board: We believe that the basis for successful corporate governance is a sound and effective Board of Directors. In line with this principle, Catcher‟s Board of Directors has established a Compensation Committee on 2011/12/23 and an Audit Committee on 2013/06/13 to assist the Board in carrying out its various duties.

Implementation Status of Board Evaluations

The compan's regulation for measuring the performance evaluation of the board of directors and functional committees was established by the Board of Drectors on 2019/11/9 and started to execute on 2020/1/1.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
The company's board of directors performs an internal annual performance evaluation of the board and individual board members	Jan 1, 2020 to Dec 31, 2020	The Company's board self-evaluation scope covers the evaluation of the board and individual board members	Use internal questionnaires, including the overall operation of the board of directors and the participation of directors, the company's understanding and responsibilities, and continuous training, etc.	1. The self-evaluation of the board of directors includes the following aspects: (1) Participation in the operation of the company; (2) Improvement of the quality of the board of directors' decision making; (3) Composition and structure of the board of directors; (4) Election and continuing education of the directors; and (5) Internal control. 2.The self-evaluation of board members includes the following aspects: (1) Familiarity with the goals and missions of the company; (2) Awareness of the duties of a director; (3) Participation in the operation of the company; (4) Management of internal relationships and communication; (5) The director's professionalism and continuing education; and (6) Internal control.

(2) Information Regarding Audit Committee's Operation

A. The state of Audit Committee's participation to the board meetings

Number of meetings 6 (A) during the period starting from Jan. 1 to Dec.31, attendance of Audit Committee is listed as follows

Title	Name	No. of times attended in person (B)	No. of times attended by proxy	Attendance rate (%) (B)/(A)	Remark
Audit Committee Member	Wen-Che Tseng	4	2	66.67	Elected on 2019/06/12
Audit Committee Member	Tsorng-Juu Liang	6	0	100.00	Elected on 2019/06/12
Audit Committee Member	Ming-Yang Cheng	6	0	100.00	Elected on 2016/05/19

Other mentionable items:

1. If there are the circumstances referred to in Article 14-5 of the Securities and Exchange Act and resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company"s response to the Audit Committee"s opinion should be specified: None
2. If there are independent directors" avoidance of motions in conflict of interest, the directors" names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

(1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.

(2) The Company"s CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

(3) Corporate Governance Practices

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?		✓	The Company has not yet established the Corporate Governance Best-Practice Principles.	The Company has not yet established the Corporate Governance Best-Practice Principles but the related processes are inline with the principle.
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders" suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(1) The Company has designated the spokesman / deputy spokesman/ IR and specific persons to handle shareholders' recommendations or issues (2) The Company keeps close relationship with key shareholders, who have management control of the Company, or those who have ultimate control of this company. IRO or shareholders" Stock affair specialists were appointed to follow up the change of shareholding status. (3) Catcher has set up an "Affiliated Management Policy" which rules risk control mechanisms and firewalls between the Company and its affiliated. (4) To protect shareholders" rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?		✓	(1) The Board consist of 7 Directors, 3 out of whom are independent directors, with practical experience or teaching experience as professors in the universities. The independent directors also include accountants, professors of Accounting Department/business college. Member diversification is considered by the Board members.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) In order for the sound supervision and reinforcement of management, the Company has established the Compensation Committee and the Audit Committee and will also establish other committees according to regulations or operational needs in the future.	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		(3) The company has established formulated rules and procedures for evaluating the Board"s performance on 2019/11/09 and will execute annually.	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Company evaluates the independence of CPAs periodically, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company. Besides, there are also internal rotations to ensure the independence of the CPAs.	
4. Does the Company established a full- (or part-) time corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders"meetings according to laws, handle corporate registration and amendment registration, produce (or record?) minutes of board meetings and hareholders meetings, etc.	✓		The company has assigned financial department to deal with corporate governace tasks. The company also arrange the personnel in charge of AGM, BOD meeting, committees and corporate governance matters.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has assigned spokesperson, deputey spokesperson and investor relations specialist for immedicate communication with stakeholders. The Company has also built a designated section on the website for stakeholders for all the issues they care about and a channel to get appropriate response. In addition, the Company publishes Corporate Social Responsibility Report every year, and provides an annual stakholders" survey,where the participants include employees, customers, suppliers, shareholders/investors, residents, governments, NPO/NGO, and media to better understand how much these stakeholders pay attention to the social responsibility issues. The Company could then take the feedback from the survey as reference and to achieve the goal of the expectation of the stakeholders.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates CTBC Bank to deal with shareholder affairs. The address is 5F, No. 83, Sec. 1, Chung Ching South Rd., Taipei City, Taiwan; phone number: 02-66365566. Website: http://www.ctbcbank.com.tw/	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓ ✓		(1) The Company has set up a Chinese/English website (www.catcher-group.com) to disclose information regarding the Company's financials, business and corporate governance status. The Company also discloses other information according to the regulations requirement on MOPS website and thus investors may also refer to MOPS website for the Company"s financials, operational information and corporate governance. (2) The Company has assigned an appropriate person (investor relations specialist) to handle information collection and disclosure, including English, Traditional Chinese, and Siimplied Chinese) and established a spokesman system. Investor conference information is disclosed on the corporate website. The Company also holds or attend the analyst meeting/conference calls and the related information will be posted on MOPS or the Company's website.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
8. Is there any other important information to facilitate a better understanding of the company"s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors" and supervisors" training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1) Status of employee rights and employee wellness: Catcher commits itself to uphold the welfare of its employees complying with relevant regulations. Please refer to the "Labor Relations" section on pages 74-75 of this annual report. (2) Catcher has appointed spokesman / deputy spokesman/ IRO to maintain fair relationship with our investors, provides contact information, releases operational reports periodically, and attends analysts meetings/conference calls to establish an immedicate communiation channel with our investors. Phone number: 02-27015900 #2812; website: www.catcher-group.com; email: IR@catcher-group.com (3) We value our suppliers and stakeholders as our assets and therefore sign contracts with our suppliers and customers to protect mutual rights and obligations and maintain a well relationship. (4) Stakeholders' protection: All stakeholders can have a smooth communication channel with the Company to secure their rights by email, phone, email and company website. (5) The status of Directors' training records: The Directors of the Company all have industry professions and practical experiences. In addition, the Company provides irregular training courses on different area, including financial, business operation or laws knowledge by their desire. (6) Status of risk management policies and risk evaluation: The Company holds Board Meetings at least once a quarter to supervise the operational status and risk management. Please refer to the "Risk Management" section on pages 87-89 of this annual report. (7) The Company has purchased D&O insurance for its directors and managers. (8) The Company has adopted electroic voting to enhance the information transparency to ensure the shareholders' right. In summary, the company is currently performing operations in compliance with relevant laws and regulations. The chapters of the forthcoming 2020 Corporate Social Responsibility	None

			Report can also help stakeholders better understand the important information of various governance operations.	

9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange
According to the results of the company's latest "Corporate Governance Evaluation", the implementation status of non-scoring items are explained as follows.

A. Whether the company has formulated "Corporate Governance Best-Practice Principles" and approved by the board of directors?
   The company will formulate the " Corporate Governance Best-Practice Principles " to truly implement the spirit of corporate governance, and pursue the maximization of shareholders' rights and the sustainable operation of the company.
B. Whether the company has assign Corporate Governance Officer who is responsible for corporate governance-related matters, and discloses the scope of authority, current year's business execution priorities and training status on the company's website and annual report?
   The company will assign Corporate Governance Officer to be responsible for corporate governance-related matters, including handling matters related to the board of directors and shareholders meeting in accordance with the law, preparing board and shareholders meeting minutes, assisting directors and supervisors in their appointments and continuing education, and providing information required by directors and supervisors to perform business, assisting directors and supervisors to comply with laws and regulations, etc.
C. Does the company disclose the reasons for discussion and resolution of the Compensation Committee, and the company's handling of members' opinions in its annual report?
   The company will disclose the date of meeting of the Compensation Committee, the content of the proposal, the results of the resolution, and the company's handling of the opinion of Compensation Committee in annual report and on the company's website (http://www.catcher.com.tw/tw/investor_governance_cm.aspx).

(4) Composition, Responsibilities and Operations of Compensation Committee

A. The Company has set up Compensation Committee on 2011/12/23 according to Article 14-6 of Securities and Exchange Act and Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counterand established Compensation Committee Charter, which is disclosed on MOPS.

B. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years" Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Wen-Che Tseng			V	v	v	v	v	v	v	v	v	v	v	3	
Independent Director	Tsorng-Juu Liang	V		V	v	v	v	v	v	v	v	v	v	v	0	
Independent Director	Ming-Yang Cheng	V		V	v	v	v	v	v	v	v	v	v	v	0	

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.
1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not been a person of any conditions defined in Article 30 of the Company Law.

C. The state of Compensation Committee's participation to the board meetings

1. There are 3 members in the Compensation Committee
2. The term for elected committee members is 3 years, starting from June 12, 2019 to June 11, 2022. A total of 2 Compensation Committee meetings were held in 2020. The attendance of the committee members was as follows

Title	Name	No. of times attended in person (B)	No. of times attended by proxy	Attendance rate (%) (B)/(A)	Remark
Convenor	Wen-Che Tseng	2	0	100.0	Re-elected on June 12th, 2019
Member	Tsorng-Juu Liang	2	0	100.0	Re-elected on June 12th, 2019
Member	Ming-Yang Cheng	2	0	100.0	Re-elected on June 12th, 2019
Other mentionable i tems : 1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company"s response to the remuneration committee"s opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None. 2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members" opinions and the response to members" opinion should be specified: None.					

D. The Company's Compensation Committee's resolutions in 2020:

Date	Proposal	Resolution
2021.03.10	1. Review the structure of Directors' and management team's compensation. 2. Employee and Directors' 2020 salary review 3. Review Directors' and Board of directors' performance evaluation result.	Approved by directors participating in the discussion and voting in the board meeting
2020.08.12	1. Issue 2019 compensation for managers 2. Issue 2019 compensation for directors	Approved by directors participating in the discussion
2020.03.10	1. Review the structure of Directors' and management team's compensation. 2. Employee and Directors' 2019 salary review 3. Revision of the company's "Compensation Committee Organization Rules"	Approved by directors participating in the discussion and Organization Rules has been published on company's website

(5) Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		(1) The Company to implete corporation social responsibility for a long time.The Company integrates and manages the potential risks of investors and stakeholders. The procedure will be audited by internal auditors and be assessed the effects regularly. Please refer to the CSR report or the risk management chapter in this report.	None
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		(1) The Company has established the CSR team, which includes the employees from strategic management, auditors, labor safety, human resources, stragteic procurement, sales and marketing, investor relations department, in charge of the publish of CSR report and implementing the related CSR matters and report directly to the Chairman.	
3. Sustainable Environment Development (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) The Company has received ISO 14001 certifications for environmental management systems since 2009. Through promotion of ISO 14001, the Company has established effective monitoring management system to achieve the policy goal. In addition, in line with ISO 14001 concept of continuous improvement, the Company diligently carries out its responsibilities of pollution prevention, energy and resource conservation, waste reduction, accident prevention, and the establishment of a safe and comfortable work place.	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have lowimpact on the environment?	✓		(2) The Company has always been committed to improving the utilization rate of various energy resources and promoting sustainable development. With industry-leading advanced process and technology research and development capabilities, in the early stage of process development and design, resource conservation and utilization efficiency are key considerations to save energy and reduce raw material consumption.We also do research and development to optimize resource utilization technology, which can strengthen the recycling economy and the methods of waste recycling and reuse, and gradually increase the proportion of the use of recycled metals and raw materials.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3) The company fully understands the possible impact of energy use and greenhouse gas emissions on the environment and has independently assessed the potential risks and adaptation strategies of climate change to enterprises now and in the future. Please refer to our CSR report. Moreover, the company has been actively conducting greenhouse gas inventory operations since 2015, so as to effectively grasp the greenhouse gas emissions of the plant area, and find possible reduction space from the emission sources, and implement energy and greenhouse gas management policies.	None
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4) The Company has monitored the impact to the operation brought by the climate change and has completed many energy-saving projects in 2015, where we see significant effects. Moreover, through the promotion of ISO 14064-1 carbon footprint project, the Company has calculated the greenhouse gas emissions from the main operational scope and planned for the follow-up plans to decrease the greenhouse gas emissions.	
4. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company has established internal policies as guidelines to ensure the labor rights and benefits. Through periodic internal audits and improvement, the Company aims to provide a friendly working environment for the employees and to protect the employees from every department under different hierarchies.	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(2) Catcher offers diverse welfare measures for employees to retain talents, so that colleagues can concentrate on work and continuous progress. In addition to designing a competitive salary system and appropriately reflect the results of operating performance on employeees' salaries, there are also meal subsidies, full meal subsidies, various gifts/subsidies and employee activities (such as tickets for arts and cultural activities, exhibitions, family days... etc.)	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company has completed the certification of ISO 45001 and therefore led the labor safety system even more complete. Based on the regulations of ISO 45001, we have established a management system on labor health and safety, which continuously evaluates and controls the risks in the working environment and follow up on improvement measures. Besides, in comply with the regulations, the Company provides the employees with regular health checkup and also holds regular training sessions to build a better working environment.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>(4) Does the company provide its employees with career development and training sessions?</td><td>✓</td><td></td><td>(4) The company plans a diversified education and training system and follows the principles and regulations of the Talent Development Quality Management System (TTQS) to connect organizational development, strategy and employee's personal skills gap with training. Through various on-the-job training, job teaching, job transfer, lectures, online learning, etc. to plan and train the professional skills and functions required by employees in different career stages.</td><td rowspan="3">None</td></tr>
<tr><td>(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?</td><td>✓</td><td></td><td>(5) The company has always adhered to the business philosophy of integrity, following relevant regulations and international standards (such as RoHS, UL marking, etc.) and properly managed customer health and safety, customer privacy, marketing and labeling for products and services.</td></tr>
<tr><td>(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.</td><td>✓</td><td></td><td>(6) The Company has required all of its suppliers to follow their commitments on CSR, which includes voluntary labors, underaged labors, compensation or benefits, working time, anti-discrimnation, health and safety, environmental protection, and moral behaviors. Company has chosen 9 suppliers to audit its implementation on CSR based on customerportfolio and transaction scale during 2020, Catcher will continue to work on the suppliers“ audit.</td></tr>
<tr><td>5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td>✓</td><td></td><td>There’s a CSR section on our website. http://www.catcher-group.com/tw/csr.aspx. The Company will disclose the information regarding the message, projects and activities on corporate social responsibility, the information on Catcher Education Foundation, and provides historical CSR reports for readers to download.</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status	Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Abstract Explanation	
6. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: The Comopany has established the "Procedures of social responsibility management" in 2014, which is inline with "the Corporate Social Responsibility Best-Practice Principles for TWSE/ TPEx Listed Companies" and international standards (ex: SA 8000, EICC). Therefore, the Company is able to meet the regulations and the requirement of the stakeholders in terms of labor rights, health and safety, environment, code of ethics, and management systems.		
7. Other important information to facilitate better understanding of the company's corporate social responsibility practices： The Company has established a CSR Team comprising of employees from various deparments to be in charge of the publishing of CSR report. The Company has already issued 2014-2019's CSR report on the website for stakeholders and the CSR Team is working on publishing the 2020's CSR report. Looking forward, the Company expects every department to execute strategies based on the KPI which is conjunction with the social responsibility and to help realize the long-term vision of the Company.		

(6) The status of the Company's exercise of good faith in management and adoption of related measures:

Catcher already set up the related governance principle and have an internal audit department, and also formulated internal rules to ensure the exercise of good faith in management and the observance of laws and regulations.

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Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1) The Company has Board-approved ethical corporate management policy as the guideline for all the other ethical corporate management policies. The Board of Directors and the management place the greatest importance in adopting the highest standards of integrity and ethics in corporate management and employee work conduct. Related Ethical Corporate Management policies will be included in the Company"s CSR report and website.	None
(2) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(2) The Company adopts management procedures and to establish preventive measures against the following: (a) offering and accepting bribes; (b) illegal political donations; (c) improper charitable donations or sponsorship; (d) offering or accepting unreasonable gifts or hospitality, or other inappropriate benefits. The ethical corporate management policy was announced and disseminated to employees, managers and Board of Directors to enhance integrity and self-discipline. At the same time, the Company has internal audit teams and hasmade a hotline available for suppliers/ employees to prevent any improper business behaviors.	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3) The company has established management procedures to punish for any violation, and also set up “hotline” to strengthen the implementation. The internal Committee holds the review meeting semi-annually and reports to top management accordingly. The company also establishes effective accounting and internal control systems for the implementation of policies, and to prevent any violation. Suppliers also need to sign this Ethical Agreement to commit not to engage with any bribery, corruption, deception, and all other forms of improper conduct.	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners" ethical records and include ethics-related clauses in business contracts?	✓ ✓		(1) The Company conducts due diligence before trading with upstream and downstream companies to minimize the risks. The Company requires all our suppliers, vendors and partners to declare in writing that they will not engage in any fraud or provide unethical conduct when dealing with the Company or our officers and employees. Internal and external online hotlines have been established for any relevant persons to use in reporting any ethical irregularities for personal investigation by a designated internal audit. Catcher has the right to suspend or discharge the agreement, or even punish suppliers, if supplies violate the abovementioned rules.	None
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?			(2) The Company established the Iegal team to implement the corporate ethics and Audit Division to monitor execution results, and to submit periodical reports to the top management and then to the Board of Directors.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) To avoid interest of conflicts, the Company requires all employees not to engage with any unethical activities bysetting rules and procedures. At the same time, the Company has made a hotline available for any stakeholders to makes ure the ethical corporate management policies are fully implemented.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		(4) The Company has established accounting and internal control systems to ensure integrity in our operations. The internal auditors have analyzed and reviewed the annual audit program, on behalf of board and management, according to the risk evaluation results, to further strengthen the implementation of ethical corporate management policies.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The Company carries out irregular training for employees. For new employees, training on social responsibilities, ethical rules, business morals, and all other related subjects are carried out prior to work. All employees will receive necessary internal training when needed. Employee will also receive external training if necessary.	

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases? (3) Does the company provide proper whistleblower protection?	✓ ✓ ✓		(1) The Company "Reporting Method" are disclosed on the Company's website and states reporting channels, so that employees and relevant people can report improper business behaviors through the system. After a confidential investigation with 7 days, anyone who violates the regulations on operational integrity will be punished according to the Company"s regulations on reward and punishment. (2) The Company has in place SOPs, relating to the reporting, investigation, filing etc., which could be applied on any confidential investigations on such cases. Those parties in those cases will be fully confidential. (3) The Company takes whistleblower protection seriously since the core purpose is protection from unlawful reprisal for diligent employees who step forward to identify potential wrongdoing. The Company has a dedicated different ways or hotline for whistleblower protection. Any whistblower who received unfair or unlawful treatment will be well protected and also compensated for the loss.	None
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company"s website and MOPS?	✓		The Company's related ethical corporate management principles and the results of our implementation will be posted on the Company"s annual report and eventually on the MOPS. We will also disclose those related information on website, including ethical corporate management, obeying business morale, the commitment of fair competition and CSR report.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company"s ethical corporate management policies (e.g., review and amend its policies). (a) To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEx-Listed Companies, and other laws and decrees concerning business transactions. (b) The Company has set up the "Rules of Board Meeting" to prevent any interest of conflicts from board members. The board member is only allow to present opinion but not allowed to discuss or vote in those agenda which that board member has interest of conflicts (c) The Company has set up "Management Procedures for Internal Material Information", which specifies that directors, supervisors, managers, and employees are not allowed to reveal inside information to others or to inquire non-public information that is irrelevant to his/her business scope.				

(7) How the Information of Company's Corporate Governance Policy can be Obtained in Public.

None.

(8) Other Information Provides a Better Understanding of the Company's Corporate Governance Status.

The Company holds board meeting at least once per quarter, and set up the Compensation Committee, which works effectively. The Company also elected Independent Directors since 2013's AGM and established Audit Committee. If necessary, the Company will set up any committee to improve corporate governance.

(9) Status of Internal Control:

A. Statement of Internal Control:

Catcher Technology Co., Ltd.
Statement of Internal Control

2021/03/10

The internal control self-assessment of Catcher Technology Co., Ltd. was conducted for the year ended December 31, 2020 based on the Company‟s internal control system. The results are described as following:

1. Catcher Technology Co., Ltd. acknowledges that the board of directors and the management are responsible for establishing, executing and maintaining an effective internal control system, which has been already set up. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with the applicable laws and regulations.
2. No matter how perfectly designed, the internal control system has its inherent limitations, and it can only provide reasonable assurance of achieving the three goals mentioned above. The effectiveness of the internal control system may subject to changes of environment and circumstances. Catcher has established an internal control system with self-monitoring capabilities, which can undertake corrective actions whenever a deficiency is identified.
3. Catcher evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the governing the establishment of internal control system by public companies promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission. The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) Control Environment, (2) Risk assessment (3) Control activities, (4) Information and Communication, and (5) Monitoring. Each component consists of certain items, which could be referred to the Standards.
4. Catcher Technology Co., Ltd. has evaluated the design and effectiveness of its internal control system according to the aforementioned criteria.
5. Catcher Technology Co., Ltd. believes that the effectiveness of the design and execution of the internal control system (including its subsidiaries) during the above mentioned assessment period provides reasonable assurance of achieving the goals of the efficiency and effectiveness of operations, the reliability of financial reports and the compliance with applicable laws and regulations.
6. The Statement of Internal Control will be an integral part of Catcher Technology Co., Ltd. annual report and prospectus and will be made public. Any false statement, concealment, or other illegality in the content made public will entail legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. The statement has been passed by the Board of Directors in the meeting held on March 10th, 2021, with none of the seven attending directors expressing dissenting opinions on the content of the Statement.

Catcher Technology Co., Ltd.

Chairman and CEO：Shui-Shu Hung

President：Tien-Szu Hung

B. CPA Audit Report for Internal Control System of the Company

The Company was not required to engage with a CPA to attest to the internal control system under R.O.C regulations; therefore, there is no CPA audit report on internal control to be disclosed.

(10) Description of Violations/Infringement of Regulations and the Company's Response

For the most recent fiscal year and during the current fiscal year up to the date of printing of this annual report, there were no sanctions imposed upon the Company or its internal personnel.

(11) Important Resolutions of Shareholders' and Board Meetings

A. Shareholders' Meeting

Date	Title	Agenda	Resolution/Execution
2020.06.30	2020 Annual shareholders' meeting	● To accept 2019 Business Report and Financial Statements ● To approve the proposal for distribution of 2019 profits To amend the Article of Incorporation ● To raise funds through issuing new shares or GDR ● To elect one new Directors	All ratification and discussion items were unanimously agreed upon the resolutions by all attending shareholders. All items were executed except for the issuance of new common shares for cash and/or issuance of Global Depository Receipt (GDR)
2020.10.05	2020 Extraordinary shareholders' meeting	● Lyra International Co., Ltd., the subsidiary of the Company, intends to sell 100% of its stakes of Topo Technology (Taizhou) Co., Limited, and Meeca Technology (Taizhou) Co., Limited in mainland China to Lens International (Hong Kong) Co., Ltd	All discussion items were unanimously agreed upon the resolutions by all attending shareholders

B. Board Meetings

Date	Agenda	Resolution
2020.03.10	● To approve the Company's 2019 Financial Statements ● To approve 2019 Business Report ● To amend partial clauses of "Rules of Board's Meeting" ● To amend partial clauses of "Rules of Audit Commitee" ● To amend partial clauses of "Rules of Compensation Commitee" ● To report the distribution of compensation for employees and directors in 2019 ● To discuss the donation to Catcher Education Foundation ● To discuss the change of accountant ● To regularly review the accountant's independency ● To host 2020 shareholder's meeting and receive shareholder"s proposals	All attending directors unanimously agreed, no other special proposals were proposed. Except for the donations excluding the Director who may have interest of conflict, the other attending directors unanimously agreed.
2020.03.17	● To approve the shares buyback proposal	All attending directors unanimously agreed, no other special proposals were proposed.
2020.04.30	● To elect a new director ● To renovate agenda of 2020 Annual Shareholders' Meeting by adding new director election proposal	All attending directors unanimously agreed, no other special proposals were proposed.
2020.05.18	● To report 2019 eanings distribution ● To approve the issuance of new common shares for cash and/or issuance of Global Depository Receipt (GDR) ● To submit for approval of directors candidates nominated by the	All attending directors unanimously agreed, no other special proposals were proposed.

	Board ● To decide capital reduction date as a result of shares cancellation ● To renovate agenda of 2020 Annual Shareholders' Meeting and change shareholder's meeting venue	
2020.08.12	● To decide cash dividend distribution date ● To distribute 2019 manager's compensation ● To distribute 2019 board member's compensation ● To donate to Catcher Education Foundation ● To formulate the company's "procedures of shares buyback"	All attending directors unanimously agreed, no other special proposals were proposed. Except for the manager's compensation and donations excluding the Director who may have interest of conflict, the other attending directors unanimously agreed.
2020.08.18	● Lyra International Co., Ltd., the subsidiary of the Company, intends to sell 100% of its stakes of Topo Technology (Taizhou) Co., Limited, and Meeca Technology (Taizhou) Co., Limited in mainland China to Lens International (Hong Kong) Co., Ltd ● To host Extraordinary shareholder's meeting	All attending directors unanimously agreed, no other special proposals were proposed.
2020.10.27	● To approve the earnings distribution of the first half of 2020 ● To approve the Company's 2021 Business Plan	All attending directors unanimously agreed, no other special proposals were proposed.

(12) Directors' or Supervisors' Objections on the Important Resolution of Board Meetings

None.

(13) Information of Resignation or Dismissal of Persons Related to Financial Reports

None.

4. Information on Audit Fees

(1) If the amount of non-auditing relevant fees charged by the appointed independent auditors and the related parties reaches to 25% of the Company's annual auditing expenses shall be disclosed

Name of the accounting Firm	Name of the accountant	Audit period	Note
Deloitte & Touche	Chi Chen Lee, Lee Yuan Kuo	2020.01.01~2020.12.31	

Units: thousand NTD

Fee ranges \ Item		Audit Fees	Non Audit Fees	**Total Fees**
1	Less Than 2,000			
2	2,000~4,000			
3	4,000~6,000	v		
4	6,000~8,000			
5	8,000~10,000			
6	10,000 or More		v	v

Accounting Firm Name	Auditor Name	Audit Fees	Non Audit Fees					Audit Period
			System Design	Business Registration	Human Resources	Others (Note)	Subtotal	
Deloitte & Touche	Chi Chen Lee Lee Yuan Kuo	5,600	-	23	-	11,344	11,367	2020.01.01~ 2020.12.31

Note: Mainly transfer pricing service fee

(2) If there is any change in the appointed independent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed

Not Applicable.

(3) Auditing expenses decreased by 15% in comparison to the previous year, information regarding the amount percentage and reasons for the decrease in auditing expenses shall be disclosed:

Not Applicable.

5. Replacement of CPA

Not Applicable.

6. Information of the Company's Chairperson, Presidents, or Accounting Officers Have Worked in the Accounting Firm of the Appointed Independent Auditors or the Related Parties within the past year.

None.

7. Audit Independence

- The financial department of the company regularly assesses the independence of visa accountants and self-assessed that the appointed visa accountant (1) does not serve as a director of the company (2) does not hold any positions in the company (3) is not our stakeholders, and thus should meet the independence regulations.
- Conduct inspections through the company's stock affairs agency and confirmed that the visa accountant did not hold any shares of the company.
- Obtain the "Accountant Transcendental Independence Statement" issued by a certified public accountant accountant. The "Audit Independence Evaluation process" is submitted to the Audit Committee for deliberation and board of directors for resolution.

8. Change in shareholding of Directors, Managers, and Major Shareholders

(1) Change in Equity Interest

Record Date: 2021.02.28

Title	Name	2020		As of 2021/02/28	
		Change in Equity Interest	Pledge in Equity Interest	Change in Equity Interest	Pledge in Equity Interest
Chairman	Shui-Shu Hung	0	0	0	0
General Manager	Tien-Szu Hung	0	0	0	0
Institutional director	Yung Yu Investment Co., Ltd	0	0	0	0
Director	Mon-Huan Lei	0	0	0	0
Independent Director	Wen-Che Tseng	0	0	0	0
Independent Director	Tsorng Juu Liang	0	0	0	0
Independent Director	Ming-Yang Cheng	0	0	0	0
Vice President	Wen-Chien Chien	0	0	0	0
Vice President	Tang-Lung Hsu	0	0	0	0
Vice President	Hsu-Yuan Lee	0	0	0	0
Vice President	Shih-Te Huang	0	0	0	0
Special Assistant	Wen-Chung Yeh	0	0	0	0
Assistant Vice President	Shih-Wei Lee	-8,000	0	0	0
Assistant Vice President	Yu-Yen Lin	0	0	0	0
Assistant Vice President	Mei-Hsing Chen	0	0	0	0
Associate General Manager	Yi-Fang Feng	0	0	0	0

(2) Information on Transfer of Equity Interest

None.

(3) Information on Pledge of Equity Interest

None.

9. Information Disclosing the Relationship Between any of the Company’s Top Ten Shareholders.

Record Date: 2020/09/06

Name	Personal Shareholding		Share-holdings of spouse/ minor children		Total shareholdings held under other names		Related parties defined under the statement of financial accounting standards No. 6 of top 10 largest shareholders“		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Deutsche Bank in Custody for Quebec depository investment funds	30,065,696	3.95%	-	-	-	-	-	-	-
Cathay Life Insurance Co.,Ltd.	24,901,000	3.27%	-	-	-	-	-	-	-
Nanshan Life Insurance Co., Ltd.	24,815,000	3.26%	-	-	-	-	-	-	-
Citi as directed trustee Government of Singapore Investment Corporation	20,243,818	2.66%	-	-	-	-	-	-	-
Kai-Li Investment Co., Ltd.	18,609,869	2.44%	-	-	-	-	-	-	-
Kai-Si Investment Co., Ltd.	18,410,961	2.42%				-			
Hong-You Investment Co., Ltd.	15,365,013	2.02%				-			
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	12,306,062	1.62%				-			
Shui-Shu Hung	10,704,834	1.41%			18,409,961	2.42%	Tien-Szu Hung	Second-degree relatives	
Tien-Szu Hung	10,661,889	1.40%	-	-	15,364,013	2.02%	Shui-Shu Hung	Second-degree relatives	

Note: The data shown above was gathered until the latest ex-registered date.

10. Total Percentage of Ownership of Investees

All the Company’s investments are directly invested. There is no such issue that the Company’s directors, managers, and other direct or indirect controlled entities by the Company comprehensively held the investment companies’ shares.

Four、Capital and Shares

1. Capital and Shares

(1) Source of Capital

A. Type of Shares

Unit: in thousand shares
2021/02/28

Type of shares	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Shares	761,618	238,382	1,000,000	Listed stocks

B. Historical Information of Capitalization

Unit: in thousand NTD/shares

Date	Issue Price (NTD)	Authorized Shares		Paid-in Capital		Notes		
		Shares	Total Amount	Shares	Total Amounts	Source of Capital	Assets Other than Cash Used for Capital	Other
1984.11	1,000	2	2,000	2	2,000	Initial capital NT$2,000K	None	None
1986.06	1,000	5	5,000	5	5,000	Capitalization from Cash offering NT$3,000K	None	None
1990.06	1,000	15	15,000	15	15,000	Cash offering NT$10,000K	None	None
1992.10	1,000	25	25,000	25	25,000	Cash offering NT$10,000K	None	None
1994.06	1,000	40	40,000	40	40,000	Cash offering NT$15,000K	None	None
1996.06	—	80	80,000	80	80,000	Increase capital from retained earnings NT$20,000K, Capital surplus NT$20,000K	None	Note1
1997.04	36	30,000	300,000	16,000	160,000	Capitalization in Cash by NT$80,000K	None	Note2
1997.06	—	30,000	300,000	19,200	192,000	Increase capital from retained earnings NT$32,000K	None	Note 3
1998.12	—	32,703	327,030	32,703	327,030	Increase capital from retained earnings NT$135,030K(Included employee bonus shares NT$630K)	None	Note 4
1999.05	50	70,000	700,000	48,054.2	480,542	Cash offering NT$20,000K, Increase capital from retained earnings NT$133,512K(Included employee bonus shares NT$2,700K)	None	Note 5
2000.02	165	70,000	700,000	56,054.2	560,542	Capitalization in Cash by NT$80,000K	None	Note 6
2000.06	—	110,000	1,100,000	84,441.3	844,413	Increase capital from retained earnings NT$283,871K(Including employee bonus NT$3,600K)	None	Note 7
2001.09	—	118,000	1,180,000	102,049.6	1,020,496	Increase capital from retained earnings NT$176,083K(Including employee bonus NT$7,200K)	None	Note 8
2002.10	—	210,000	2,100,000	133,738.3	1,337,383	Increase capital on retained earnings and capital reserve NT$316,887K(Including employee bonus NT$ 10,738K)	None	Note 9
2003.09	—	210,000	2,100,000	155,099.0	1,550,990	Increase capital on retained earnings and capital reserve NT$213,607K (Including employee bonus NT$ 13,000K)	None	Note 10

2004.09	—	270,000	2,700,000	187,658.8	1,876,588	Increase capital from retained earnings NT$325,598K(Including employee bonus NT$15,400K)	None	Note 11
2005.03	—	270,000	2,700,000	188,146.9	1,881,469	Capital from ECB conversion NT$4,881K	None	Note 12
2005.07	—	270,000	2,700,000	199,763.6	1,997,636	Capitalization in ECB conversion NT$116,167K	None	Note 13
2005.09	—	570,000	5,700,000	282,161.6	2,821,616	Increase capital from retained earnings NT$782,328 K (Including employee bonus NT$ 29,740 K) Capitalization in ECB conversion NT$41,652K	None	Note 14
2006.02	—	570,000	5,700,000	283,723.7	2,837,237	Capitalization in ECB conversion NT$ 15,621K	None	Note 15
2006.04	—	570,000	5,700,000	293,644.4	2,936,444	Capitalization in ECB conversion NT$ 99,208K	None	Note 16
2006.07	—	570,000	5,700,000	294,603.6	2,946,036	Capitalization in ECB conversion NT$ 9,591K	None	Note 17
2006.09	—	570,000	5,700,000	414,076.5	4,140,765	Increase capital from retained earnings NT$1,194,729 K (Including employee bonus NT$ 25,000 K)	None	Note 18
2006.11	—	570,000	5,700,000	414,136.4	4,141,364	Capitalization in ECB conversion NT$ 599K	None	Note 19
2007.03	—	570,000	5,700,000	414,147.5	4,141,475	Capitalization in ECB conversion NT$ 110K	None	Note 20
2007.10	—	1,000,000	10,000,000	541,591.6	5,415,917	Increase capital from retained earnings NT$1,274,442 K (Including employee bonus NT$ 32,000 K)	None	Note 21
2008.11	—	1,000,000	10,000,000	599,715.9	5,997,159	Increase capital from retained earnings NT$581,242 K (Including employee bonus NT$ 39,650 K)	None	Note 22
2009.9	—	1,000,000	10,000,000	664,908.5	6,649,085	Increase capital from retained earnings NT$651,926K (Including employee bonus NT$ 52,210K)	None	Note 23
2011.5	—	1,000,000	10,000,000	675,175.1	6,751,751	Capitalization from Domestic 1st CB conversion NT$ 102,666K	None	Note 24
2011.6	—	1,000,000	10,000,000	723,795.8	7,237,958	Capitalization from Domestic 1st CB conversion NT$ 151,206K & GDR NT$ 335,000K	None	Note 25
2011.10	—	1,000,000	10,000,000	750,443.7	7,504,337	Capitalization from Domestic CB conversion NT$ 225,152K and capitalization from Domestic CB conversion NT$ 41,227K	None	Note 26
2012.2	—	1,000,000	10,000,000	750,639.4	7,506,394	Capitalization from Domestic CB conversion NT$ 2,057K	None	Note 27
2012.4	—	1,000,000	10,000,000	750,691.4	7,506,914	Capitalization in Domestic CB conversion NT$ 519K	None	Note 28
2012.5	—	1,000,000	10,000,000	750,699.2	7,506,992	Capitalization in Domestic CB conversion NT$ 78K	None	Note 29
2012.8	—	1,000,000	10,000,000	750,703.1	7,507,031	Capitalization in Domestic CB conversion NT$ 39K	None	Note 30
2014.4	—	1,000,000	10,000,000	751,662.8	7,516,628	Capitalization in Domestic CB conversion NT$9,597K	None	Note 31

2014.8	—	1,000,000	10,000,000	760,494.0	7,604,940	Capitalization in Domestic CB conversion NT$88,312K	None	Note 32
2014.11	—	1,000,000	10,000,000	767,423.7	7,674,237	Capitalization in Domestic CB conversion NT$69,297K	None	Note 33
2015.3	—	1,000,000	10,000,000	770,391.0	7,703,911	Capitalization in Domestic CB conversion NT$29,674K	None	Note 34
2020.6	—	1,000,000	10,000,000	761,618.1	7,616,181	-	None	Note 35

Note 1 : Approved no. (85)Jian San Ji Zi 215114, 8/16/1996
Note 2 : Approved no. Jing (86) Shang Zi 107326, 5/27/1997
Note 3 : Approved no. Jing (86) Shang Zi 116009, 8/28/1997
Note 4 : Approved no. (87) Tai Cai Zheng Zi (1) 98840, 11/26/1998
Note 5 : Approved no. (88) Tai Cai Zheng Zi (1) 30979, 4/6/1999
Note 6 : Approved no. (88) Tai Cai Zheng Zi (1) 101893, 12/9/1999
Note 7 : Approved no. (89) Tai Cai Zheng Zi(1) 42070, 5/16/2000
Note 8 : Approved no. (90) Tai Cai Zheng Zi(1) 144155, 7/11/2001
Note 9 : Approved no. Tai Cai Zheng Zi(1) 0910134316, 6/25/2002
Note10: Approved no. Tai Cai Zheng Zi (1) 0920126413,6/16/2003
Note11: Approved no. Tai Cai Zheng Zi (1) 0930126017,6/11/2004
Note12: Approved no. Jing So Shang Zi 09401045320, 3/21/2005
Note13: Approved no. Jing So Shang Zi 09401139810 , 7/21/2005
Note14: Approved no. Jing So Shang Zi 09401177590 , 9/08/2005
Note15: Approved no. Jing So Shang Zi 09501027910 , 2/16/2006
Note16: Approved no. Jing So Shang Zi 09501075300 , 4/25/2006
Note17: Approved no. Jing So Shang Zi 09501159860 , 7/26/2006
Note18: Approved no. Jing So Shang Zi 09501206950 , 9/12/2006
Note19: Approved no. Jing So Shang Zi 09501247950 , 11/03/2006
Note20: Approved no. Jing So Shang Zi 09601045320 , 3/06/2007
Note21: Approved no. Jing So Shang Zi 09601242380 , 10/03/2007
Note22: Approved no. Jing So Shang Zi 09701278820 , 11/03/2008
Note23: Approved no. Jing So Shang Zi 09801230170, 10/07/2009
Note24: Approved no. Jing So Shang Zi 10001087800, 05/02/2011
Note25: Approved no. Jing So Shang Zi 10001133750, 06/28/2011
Note26: Approved no. Jing So Shang Zi 10001246030,10/26/2011
Note27: Approved no. Jing So Shang Zi 10101015910, 02/02/2012
Note28: Approved no. Jing So Shang Zi 10101056300, 04/02/2012
Note29: Approved no. Jing So Shang Zi 10101093520, 05/25/2012
Note30: Approved no. Jing So Shang Zi 101010169120, 08/16/2012
Note31: Approved no. Jing So Shang Zi 10301090650, 05/21/2014
Note32: Approved no. Jing So Shang Zi 10301184600, 09/04/2014
Note33: Approved no. Jing So Shang Zi 10301248990, 12/03/2014
Note34: Approved no. Jing So Shang Zi 10401061390, 04/21/2015
Note35: Approved no. Jing So Shang Zi 10901133690, 08/12/2020

C. Information of Shelf Registration System: None

(2) Status of Shareholders

Par Value: NT$10 per share; Record Date: 2020/09/06

Structure / Number	Government Agencies	Financial Institutions	Other Institutions	Foreign Institutions& Individuals	Individual investors	Treasury shares	Total
Numbers of Shareholders	1	36	268	1,017	51,326	0	52,648
Shareholding (Shares)	650,000	89,666,300	100,595,402	383,433,287	187,273,080	0	761,618,069
Holding Percentage (%)	0.09%	11.77%	13.21%	50.34%	24.59%	0.00%	100.00%

Note: The data shown above was gathered until the latest ex-registered date.

(3) Distribution of Common Shares

A. Common Stock

Record Date: 2020/09/06

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Holding Percentage%
1-999	7,332	1,491,370	0.20%
1,000-5,000	38,503	70,607,139	9.27%
5,001-10,000	3,542	27,567,898	3.62%
10,001-15,000	1,088	13,885,259	1.82%
15,001-20,000	537	9,870,572	1.30%
20,001-30,000	473	12,035,318	1.58%
30,001-40,000	214	7,614,096	1.00%
40,001-50,000	143	6,579,190	0.86%
50,001-100,000	290	21,347,115	2.80%
100,001-200,000	191	27,340,151	3.59%
200,001-400,000	112	32,134,920	4.22%
400,001-600,000	59	28,774,715	3.78%
600,001-800,000	28	19,135,474	2.51%
800,001-1,000,000	26	23,407,343	3.07%
Above 1,000,001	110	459,827,509	60.38%
Total	52,648	761,618,069	100.00%

Note: The data shown above was gathered until the latest ex-registered date

B. Preferred Stock

None**.**

(4) List of Major Shareholders

Units: shares, %; 2020/09/06

Shares / Shareholder's Name	Common Shares	(%) of Shareholding
Deutsche Bank in Custody for Quebec depository investment funds	30,065,696	3.95%
Cathay Life Insurance Co.,Ltd.	24,901,000	3.27%
Nanshan Life Insurance Co., Ltd.	24,815,000	3.26%
Citi as directed trustee Government of Singapore Investment Corporation	20,243,818	2.66%
Kai-Li Investment Co., Ltd.	18,609,869	2.44%
Kai-Si Investment Co., Ltd.	18,410,961	2.42%
Hong-You Investment Co., Ltd.	15,365,013	2.02%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	12,306,062	1.62%
Shui-Shu Hung	10,704,834	1.41%
Tien-Szu Hung	10,661,889	1.40%

Note: The data shown above was gathered until the latest ex-registered date

(5) Market Price, Net Worth, Earnings, and Dividends per Share

Unit: in thousand NTD/shares

Item	Year		2019	2020	As of 2021/02/28
Market Price per Share	Highest		285.50	265.50	218.00
	Lowest		182.00	173.00	189.00
	Average		236.92	211.23	202.89
Net Worth per Share	Before Distribution		192.71	207.42	(Note 1)
	After Distribution		182.82	(Note 2)	(Note 1)
Earnings per Share	Weighted average shares		770,391	764,102	(Note 1)
	Earnings per shares		14.63	27.65	(Note 1)
Dividend per Share (Note2)	Cash dividends		10.0	(Note 2)	(Note 1)
	Stock dividends	Dividend from retained earnings	0	(Note 2)	(Note 1)
		Dividend from Capital Reserve	-	－	(Note 1)
	Accumulated un-appropriated dividend (Note2)		-	-	(Note 1)
Return on Investment	Price/Earning ratio (Note3)		16.04	7.64	(Note 1)
	Price/Dividends ratio (Note4)		23.47	(Note 2)	(Note 1)
	Cash dividends yield rate (Note5)		4.26	(Note 2)	(Note 1)

Note1: Up until the printing date, Q1/2021 financial report is not yet available.
Note2: Distributed earnings of 2020 are not yet been approved by shareholders" meeting as at printing date. The related information will be available on Market Observation Post System after the meeting.
Note3: Price/Earnings ratio = Average Market Closing Price per Share /Earning per Share
Note4: Price/Dividend ratio = Average Market Closing Price per Share/Cash Dividend per Share
Note5: Cash dividends YTM = Cash Dividends per Share/Average Market Closing Price per Share

(6) Dividend policy and Status:

A. Dividend Policy in the Company's Articles of Incorporation:

Dividend policy is set forth in the Articles of Incorporation. The company's profit distribution or loss allowance reserve is obtained after the end of each half of the fiscal year. If there is profits in the first half of the fiscal year, the distribution priority orders are listed as follows:

a. Withholding taxes;

b. Making up loss for preceding years;

c. Reseving employee compensation and directors' remuneration;

d. Setting aside 10% for legal reserve;

e. Setting aside or reverse special reserve(s) according to the business need or laws and regulations;

f. Any remaining earnings should be added to the accumulated retained earnings and current period‟s adjustments, and the board can determine to distribute or to retain according to the dividend policy.

The distribution of fiscal year profits priority orders are listed as follows:

a. Withholding taxes;

b. Making up loss for preceding years;

c. Setting aside 10% for legal reserve;

d. Setting aside or reverse special reserve(s) according to the business need or laws and regulations;

e. Any remaining earnings should be added to the accumulated retained earnings and current period‟s adjustments, and the board can determine to distribute or to retain according to the dividend policy.

The company is in the strategic transformation stage. Considering capital needs, financial soundness and taking into account the interests of shareholders and sustainable development of the company, the board of directors will focus on the stability and growth of dividends of profit distribution proposal. The allocation of shareholder dividends from year 2021 to 2023 (distribute in year 2022 to 2024), the amount should not be less than 50% of the net profit after tax for the current year. The cash dividends shall not be less than 10% of earnings distributed to shareholders. If the cash dividends is less than 0.5 per share, the Company could distribute stock bonus.

B. Proposed Distribution of Dividend:

Up until the printing date, 2021 Board Meeting hasn't approved the distribution of 2020 earnings.

(7) Impact of Stock Dividends on Operating Results, EPS, and ROE:

Not Applicable

(8) Employee Compensation and Directors' Remuneration:

A. The Percentages or Ranges with Respect to Employee and Director Compensation, as set forth in the Company's Articles of Incorporation:

The Company shall distribute no less than 1 percent of the current year's profit if any as compensation for employees and the Board could decide to distribute in stocks or cash. The employees to receive compensation may include certain qualified employees from affiliate companies. The Board could also decide no more than 1 percent of the abovementioned profit as compensation for Directors. The distribution of compensation for employees and Directors should be reported during Shareholders' Meeting. However, when there‟s accumulated losses, the Company shall reserve certain amount to compensate the accumulated losses and then distribute the profits to employees and Directors based on the abovementioned percentage.

B. Accounting Treatments when Differences Occurred between Estimated and Actual Distributed Amount of Employee an Director Compensation.

There is no difference between the estimated and actual amounts of employee and director compensation

C. Information on any Employee Compensation Distribution Proposals adopted at Board Meetings:

To adapt to the regulation, Catcher amended "Articles of Incorporation" in its 2019 Shareholder Meeting.

According to Catcher's "Articles of Incorporation", if the company recorded a positive earnings, it should distribute no less than 1% of the earnings as employee compensation, and no more than 1% of the earnings as board member compensation.

Below table shows 2020 employee cash compensation and board member compensation, which was approved by the board on March 10th, 2021.

If there is a difference between the estimated dollar amount and the actual dollar amount, we will address it with accounting estimation changes, and adjust on the year of distribution.

Compensation	Board Resolution (March 10th, 2021)
	Dollar Amount (NT$)
Employee Compensation (Cash)	1,164,882,808
Board Compensation (Cash)	15,522,831
Total	1,180,405,639

Note: There is no difference between the above board member/employee compensation expense and the dollar amount that the board proposed.

D. Earning Distribution Information of the 2019 Employee Bonus and Directors' & Supervisors' Remuneration

The information of distribution earning of 2019 approved by shareholders' meeting on June 30th, 2020 are listed as follows:

Unit: NTD; Shares

Details	As approved by the Shareholders' Meeting	As recommended by the Board of Directors	Differences
Distribution Status			
1. Employee bonus			
(1) Stock bonus amount	-	-	-
Stock bonus shares			
Market price per share (ex-right and ex-dividend factors have been considered)	- -	- -	- -
(2) Cash bonus	950,847,050	950,847,050	None
2. Remuneration paid to Directors and Supervisors	16,443,836	16,443,836	None

(9) Share Buy-back History

None.

2. Corporate Bonds

(1) Corporate Bonds:

None

(2) Convertible Bonds' Information

None

(3) Exchangeable Bonds Information:

None

(4) Shelf Registration Information of Corporate Bond Issuance:

None

(5) Equity Warrant Bonds Information:

None

3. Preferred Stock:

None

4. Global Depository Receipts (GDRs)

Date of Issuance / Content			Global Depository Receipts issued in 2011/06/08
Date of Issuance			2011/06/08
Listing Exchange			Assumed to be issued and traded either at Euro MTF of Burse de Luxembourg or at an international securities trading market which meets the requirements of the major underwriter and Catcher.
Issue Amount			Raising USD 220,028 thousand by issuing 6,700 thousand units of GDR(representing 33,500 thousand common shares)
Listing Price/Unit			USD 32.84 (NTD 189 per common stock share)
Listing Units			6,700,000 Units
Underlying Representing Shares			Issue new common shares.
Number of Total Units and Equivalent Local Shares per Unit			Total units: 6,700,000 units Each unit represents 5 shares of common stock with total issuance of 33,500,000 common shares
Rights and Obligations of GDR holder			The rights and obligations are the same as common stock holders
Trustee			None
Depositary Bank			JPMorgan Chase Bank
Custodian Bank			Taipei Branch / JPMorgan chase bank
Outstanding Balance (Units)			Up to 2021/02/28, 831,817 units outstanding
Issuing Expense and Maintenance Fees			All by the Company
Important Terms and Conditions of Depositary Agreement and Custodian Agreement			Please refer to Depositary Agreement and Custodian Agreement
Market Price/Unit	2020	Highest	42.8
		Lowest	29.2
		Average	35.9
Market Price/Unit	Up to 2021/2/28	Highest	38.4
		Lowest	34.2
		Average	36.0

5. Employee Stock Option Certificates

None

6.Mergers and Acquisitions or the Issue of New Shares to Acquire Another Company's Shares

None

7.The Execution Status of Capital Plan:

None

Five、Overview of the Business Scope

1. Description of The Business

(1) Major Business

A. Major Business:

a. Manufacturing, processing, and sales of molds and alloy products.

b. Surface treatment, processing, and sales of alloy products.

c. Related materials‟ and products‟ trading, export, and import business.

B. Major Products and Weights：

Unit：in thousand NTD

Product Item	Net sales in 2020	(%) of Sales
Product Sales	82,441,627	99.92%
Others	64,405	0.08%
Total	82,506,032	100.00%

C. Current Products and Services:

a. Product Sales: Sales and manufacturing of casing, internal components, molds and thermal modules for electronic products.

b. Others: Other sales income.

D. Future Products and Services:

a. Mg alloy, Al alloy and SUS metal housing and multiple

b. Development of Novel surface treatment

c. High performance metal and non metal material applied on 3C products

d. Bonding technology on different materials and its applications

e. Manufacturing process, decoration and product applications on Ultra light and thin composites

f. Product design and research on Metal/non-metal composites housing with low EMI

g. Environment friendly painting technology on metal and non-metal cosmetic parts

h. Non-metal or powder material which can be applied to mechanical parts manufacturing

i. Heat-dissipation mechanism solutions

j. Design and production of automotive products

k. Thermal/electricity/mechanical design and material application related to medical devices

(2) Industry Scope

A. Current Industry Products & Development:

Trends of portable electronic products are toward thinner, lighter, and slimmer. In addition to the quality and feelings in products' appearance, consumers are paying more attentions in environmental issues. As a result, metals with recyclable performance have become major material for casing and its internal components for portable electronic products. Reasons for the popularity of metals include:

a. More flexibility of alloy metal and more surface treatment technologies.

b. Metals are stronger and provide higher impact resistance than engineering plastics and ceramic.

c. Metals provide better heat dissipation and EMI protection, comparing to engineering plastics and ceramic.

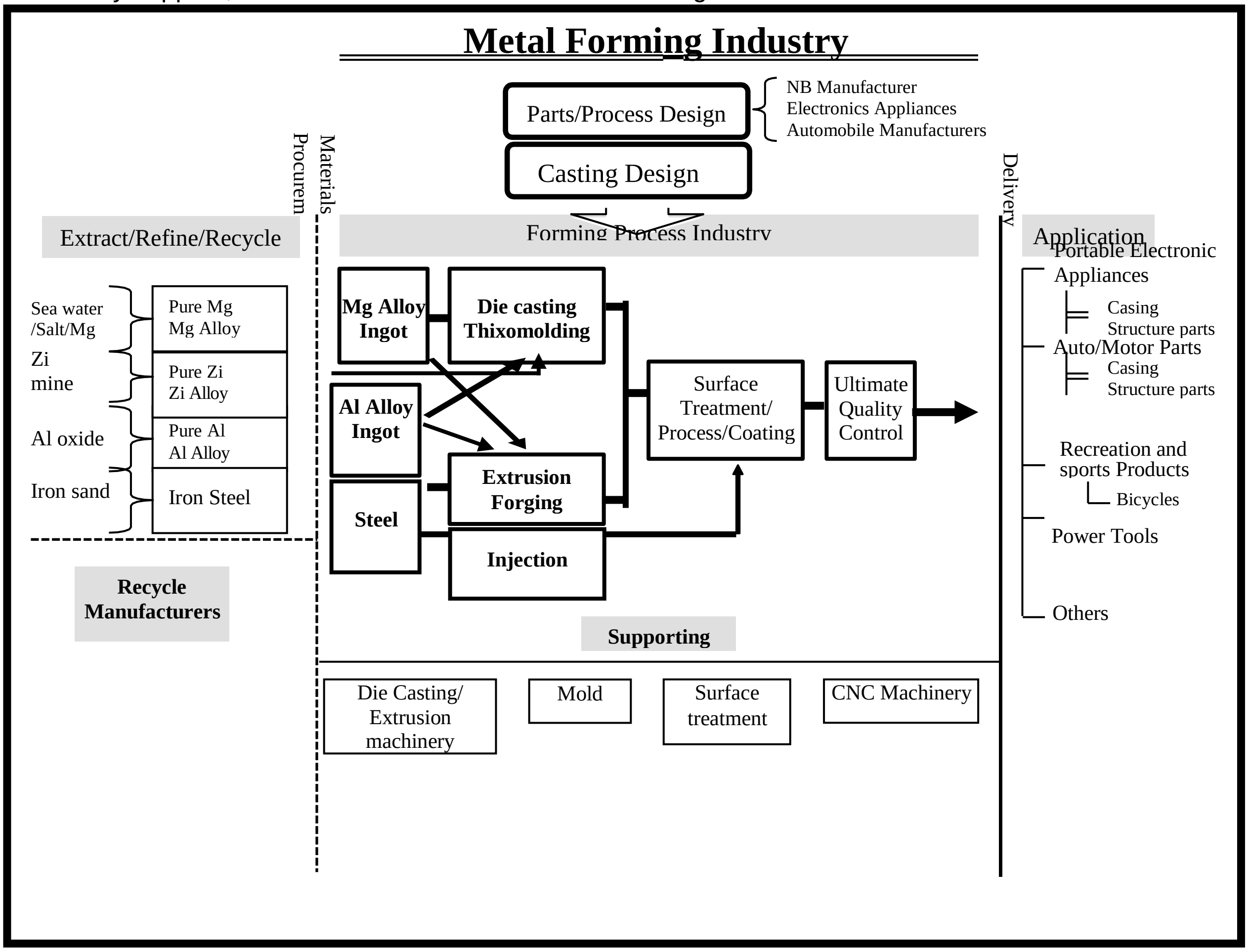
d. Popularity of environmental protection has resulted in regulations of recycling IT products in many countries. Therefore the trend of using high-end metal and compound materials remains the development trend of notebooks and mobile phone casing.

In the post-epidemic era, mobile devices, such as smartphones, tablets and notebook, remain the trend. Global smartphone casing design dominates by metal frame and glass back covers. Due to the trend of work from home, the requirement of lighter, thinner, robust, higher-precision tablet and laptop specs makes metal casing become more important. In addition, 5G communication and the foldable design are expected to apply to tablets and laptops. Tablets and laptops have been the mainstream product in the past year. The demand for casing will grow significantly, and the requirements for heat dissipation will continue to increase. Therefore, the demand for metal structure parts will be stronger, and the requirements for product strength and light weight will increase. The increasing intensity has also made the demand for multi-material integration of metal components and high-performance composite materials more obvious, which is expected to be a key area for the company's future development.

Since the global trend of carbon reduction to carbon balance in 2030 is clear, major brand manufacturers are also actively involved in material recycling and renewable energy use in the production of casing materials. Catcher leverages material science and full-process vertical production capabilities to reduce the carbon emissions of production materials and resources to meet the requirements of the world's major factories ahead of schedule.

B. The Relationship Between Up-, Mid-, and Down-stream Supply Chain Services:

Industry supplier, wholesaler and retailer is shown as diagram below：



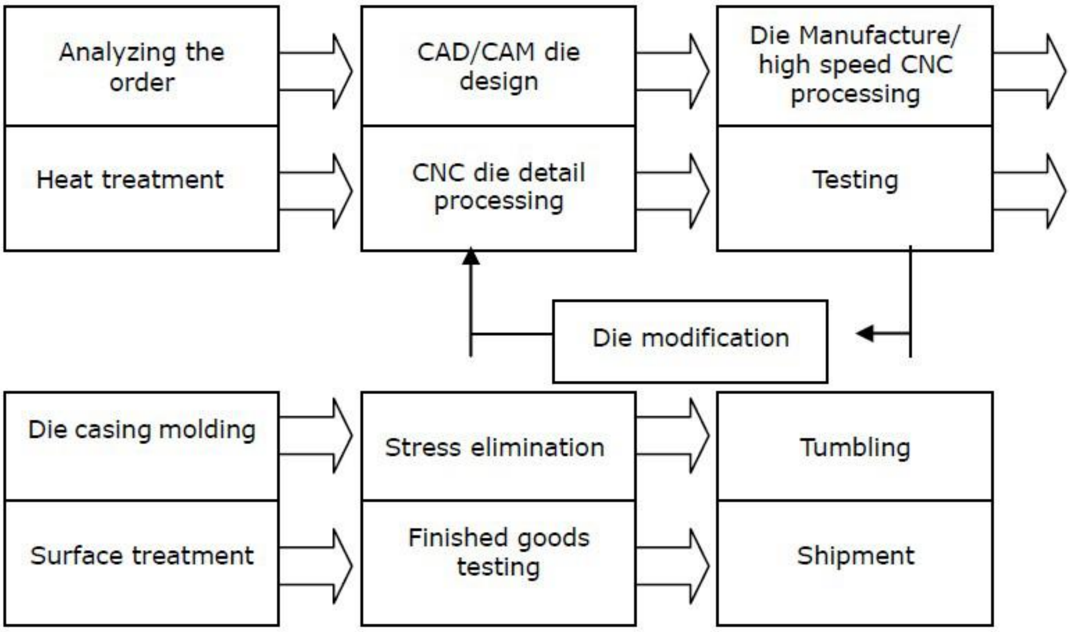
Resource from ITRI IEK-IT IS project; Quoted by Catcher

(a) Metal Alloy Upstream

Metal alloy upstream includes extraction of magnesium ore, aluminum ore, zinc ore and iron ore, and manufacturing of metal processing equipments, such as aluminum extrusion machine, forging machine, stamping machine and die-casting machine. Because Taiwan does not have mineral resources, metals are imported from nearby countries, such as China and Australia. In earlier times, the global magnesium alloy extraction and facilities are controlled by few companies, for example, Dow Chemical of United States, American Magnesium Inc. and Dead Sea, etc. But recently, China keeps on extraction and production of magnesium raw materials and has become the biggest magnesium supplier in the world. China is also Catcher‟s major magnesium materials supplier. On the other hand, aluminum ingots are supplied by China, Australia and Dubai. Domestic firms allocate and alloy these aluminum ingots into aluminum extrusion, and further reprocess into finisher. Stainless steel forge cloth is made by domestic companies, like Yusco.

(b) Metal Alloy Midstream

Metal alloy midstream is mainly responsible for metal mold manufacturing, shape machining, and surface treatment. The major suppliers include Catcher, Foxconn, Casetek, Waffer and Silitech. Die-casting industry wholesalers receive downstream consumer orders, and produce metal alloy merchandises. The manufacturing flow chart is illustrated as below:



(c) Metal Alloy downstream

Metals are suitable for all thin and light products, such as portable electronic devices, car parts, and sports products. Automobile and bicycle industry have used aluminum extrusion and forging product quite earlier, but the requirement are not as strict as 3C industry. Thus, 3C sector initialed the high quality and density extrusion products. As for stainless steel, it is very difficult to process but provides strong factor, attracting some smart phone brands. Taiwan has become the manufacturing center for the global ICT products, especially on desktop computers, NBs, and portable devices. Magnesium is the main material for NB and smart phone, and on the other hand, aluminum alloy and Zinc alloy play the key role for 3C industry. As of being an identity product, wearable devices also see prosperous demand in recent years. Metal casing still remain the preferred design and unibody casing can provide outstanding value to meet end customers‟ requirement.

C. Competition Status

Major Competitors:

Company	Main business scope	Major items	Note
Catcher Technology Co. Ltd.	Manufacture and sales of mold and metal casing products; Surface treatment	Mg alloy and aluminum alloy casing and other 3C components	Public traded company
Casetek	Design, research, and production of consumer electronic parts	Aluminum alloy components	Delisted; Merged into Pegatron
Waffer Technology Co., Ltd.	Sales and manufacture of plastic and metal products, Mg alloy products, mental surface treatment technology, and electronics components	Mg casing and other 3C components	Public traded company
Foxconn Technology Co., Ltd.	Manufacture and sales of monitor and electronics components	Mg casing and other 3C components	Public traded company
Ju Teng International	Mold development, plastic injection, metal stamping, die-casting/thixo-molding, CNC machining, composite casing, surface coating and assembly	Mg alloy and aluminum alloy casing, carbon fiber, and other 3C components	Public traded company
BYD Electronics	Provider of handset components and modules manufacturing and assembly services	Aluminum alloy components	Public traded company

(3) Research & Development Achievements and Plans:

A. Research and Development Expenditures:

Year	2020 (consolidated)
R&D expenditures	NT$ 1,584,650 thousand

B. Successful Development in Technologies and Products:

During the past few years, Catcher has aggressively extended special processes and technologies to accommodate into existing techniques, creating a “Comprehensive Manufacturing Matrix”. The matrix provides customers with a variety of design flexibility and achieves the goal of vertical integration. When integrating these processes into mass production, we also find new application possibilities of combining more different processes. These combinations expand the surface treatments techniques and create new exterior feels. The latest developed products and processes are as follows:

- Unibody composite housing of High strength glass fiber
- High-flame-retardant carbon-glass fiber composite housing
- High modulus/High strength 3K carbon thermal plastic unibody
- High-modulus flame retardant magnesium alloy
- Special shaping technique of titanium alloy
- Magnesium casing with metal finish
- Anti-fingerprint-and-bacteria special anodized material
- Novel PVD SUS unibody product made by SUS with multi color
- Special dazzle color on anodized aluminum alloy
- Carbon fiber unibody composite with special designed antenna solution
- Material bonding technology for metal and non-metal materials
- Material bonding technology for different metal materials
- Thermal fiber material
- Antibacterial fiber material
- Magnesium alloy polymer surface treatment process
- Magnesium alloy and aluminum alloy micro-arc oxidation surface treatment
- High-strength recycled fiber injection plastic

For more information about R&D, please refer to "Future R&D Plans and Estimated R&D Expenses"

in "Risk Management and Evaluation"

C. Long-term and Short-term Business Development Plan:

For short term planning, NBs and tablets still mainly contribute to company's revenue. In addition to sizable market, the trend of electronic products toward multi-functional, thinner, lighter, and stylish design has made metal casing much popular, and drove the growth for metal casing sector. Therefore, Catcher is going to increase its allocation and value, enabling this company to pursue growth. In 2020, the company successfully engaged with the global leading energy vehicle client and officially entered the new energy vehicle industry, which is an important new growth driver, reducing the company's volatility and concentration in consumer electronics products.

For the long term, Catcher will keep its leading advantage to maintain its market share. We will also develop any other materials, components or technologies to provide more materials, products and serve more customers. We focus on the development of new material, new processes, and new business. With our strong balance sheet, the Company manages to keep the commitment of technology innovation and customer-oriented service while with a vision of sustainable operation, and also looks for new products/customers for the future growth drivers. Catcher targets to outgrow the industry's average.

Catcher is determinant to make strategic transformation and will make use of the Group's accumulated resources over the years to create internal organic growth and to look for domestic and overseas investment and M&A opportunities in line with the company's long-term development to diversify overall arrangement as the medium and long-term growth momentum, using these entities as the company's development supports after transformation.

2. Market and Sales Conditions

(1) Market Analysis:

A. Major Sales Regions:

Unit：in thousand NTD

Year / Area		2020		2019	
		Net Sales	%	Net Sales	%
Domestic		1,102,480	1.34%	932,226	1.02%
Export	Asia	35,526,244	43.06%	33,966,735	37.07%
	America	45,875,935	55.60%	56,713,789	61.89%
	Others	1,373	0.00%	15,365	0.02%
Export subtotal		81,403,552	98.66%	93,695,889	97.52%
Total		82,506,032	100.00%	91,628,115	100.00%

B. Market Share:

According to market survey, few Taiwan metal casing companies account for the majority market share and lead other companies with a distance in technique, skill and capacity. About magnesium die casting, aluminum and stainless steel unibody, there are high entry barriers because of technical difficulty, production capacity, as well as vertical integration and other factors. The new entrants as well as other vendors do not have the big scale of production, mass production experience and technology. Therefore, there should not be any significant impact in the short term. The few companies are estimated to account for approximately 80% shipment in metal casing industry. Catcher is one of few manufacturers with completed processing technique, customization capability, and innovative design ability. Catcher has received recognition and orders from global leading brand names. These achievements make the Company a leader of metal casing industry in the world.

Global NB market is stable with the penetration of high end metal casing or hybrid casing been increasing. This trend benefits Catcher's growth in this sector.

C. Future Market Supply, Demand, and Growth Potential

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

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

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

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

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

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

D. Competitive Advantages

The company focuses on the manufacture of metal casing (Al, Mg, Zn, Stainless Steel…), composite materials, and internal frame. It include the process of Die Casting, Extrusion, Forging, Stamping, MIM, thermoforming, CNC machining, Anodizing and many kinds of surface treatment technology. These technologies can be adopted in NB, mobile phone, Tablet, MP3 player and all the other 3C products. Catcher is one of the few metal casing and internal components manufacturers that are able to meet customers‟ expectations in quality, yield, mass production capability, customization, and innovative design ability. The following strengths contribute to Catcher's achievements aforementioned：

a. The Company possesses strong research and development programs and leverages its ability in technology development.

b. The Company’s solid management capability and discipline.

c. The Company’s self-developed and high-level automation capability higher than industry standard.

d. The comprehensive manufacturing capabilities of multi-materials, multi-process, and multi-surface treatment.

e. The Company provides one-stop-shopping solution, and ensures time-to-market and quality control issue due to highly in-house integration.

f. The Company‟s vertically integrated technology in mechanical design, precision mold design and fabrication, molding, decoration, second processing, and sub-assembly also enable it to meet time-to-market and volume production requirements while having the competence to handle the rapid changes in product designs.

g. The Company‟s technologies and quality have been proven and recognized by customers.

h. The Company consistently develops new products and new applications to meet customers‟ demand.

With the idea of steady growth and innovation commitment, Catcher builds competitive advantages in R&D, manufacturing, and sales. The Company also has a solid financial structure and fine-tuning of the manufacturing process accompanying with professional employees‟ recruiting programs. These factors make the Company a reliable and close partner to customers.

E. Positive and Negative Factors Relating to Future Development

a. Favorable Factors

- **Wider metal casing application and optimistic industry outlook**

  Superior physical characteristics of metals result in the popular applications of metals. Metal casings provide better structure strength, save space, and make better outlook, which enable other portable devices, like NB, smartphone, tablet, camera, and electronic products, to adopt more and more metal. Therefore, the applications for metals are in growth and the industrial outlook is optimistic. There are three main growth drivers for the metal casing sector: 1. Increasing unit shipment from smart devices, 2. Increasing adoption rate of metal casing, and 3.Form factor change, including larger size, more complicated and difficult design. For Catcher, we expect three growth drivers for the near to mid-term; 1.Organic growth from existing products, 2.New products, and 3.New customers.

- **Stable Customer Base**

  Due to the boosting of Internet and multimedia, the market of mobile devices and electronic products is booming up. In addition, the effort in the information industry from private sectors and government being more than a decade, a completed and well-operating supply chain was established. As a result, the market shares of many kinds of electronic products in Taiwan achieve No.1 around the world. Catcher is one of few suppliers qualified in quality, yield rate, and capacity. The company already cooperated with brand companies and ODMs for many years. Because of the rapid growth of the smartphone in recent years, the Company also has cooperation with smartphone, mobile devices brand companies. The diversified and stable customers‟ base is the important factors for the sustainable development.

- **High Entry Barrier in the metal casing industry**

As per the technology progress of notebooks, smartphones, tablet PCs and the other consumer products, the demands for those products are also growing quickly. However, due to the highly customized structure and design, the key technologies, the ability to make the mold and tooling, and the variety of surface treatment technology require abundant mass production experience to improve the yield rate of products and processes. In recent years, more and more notebook and smartphones adopt Unibody design of aluminum metal casing, the extensive uses of extrusion and CNC machining is able to make more creative design of casing outlook. Meanwhile, there also build up high entry barriers of capital and technology in the metal casing manufacturing industry. In addition to a lot of machines and equipments, there are still complicated secondary operating and surface treatment process, which cannot be replaced by automatic robots or machines. It is not an easy thing to maintain long-term profitable operations if the company did not optimize the use of limited manpower and resources, and control the cost.

The life cycle of electronic products is getting shorter; the Company needs to have R & D ability and makes mass production within a short period in order to grasp the market momentum. The new manufacturers have to spend huge initial investment for equipments and face the insufficient technical experience. Thus, it is not easy for them to improve the yield rate of products and processes in short term, and it will take for quite long time to achieve breakeven. There might be the potential threat in medium-and long-term, but it is not simple thing to catch up with the Company in short-tem. The Company already entered in this industry for quite a long time, and had solid R&D team and experience for delivery and quality. All above competitive advantages can make the company become outstanding in the severe competition.

The metal casing industry has four entry barriers: 1.High uncertainty of business operation, 2.More complicated and difficult design trend, 3.Huge capacity and high automation needed, and 4.Compliance with higher standard from global tier one customers.

- **Strong Research and Development Capability with Outstanding Results**

Considering electronic products‟ characteristics as complicated in design and ever changing in research development, high quality requirement becomes the competitive advantage for the components manufacturers. The Company has excellent management team in this related field and strong R&D team for backing-up. Back to mid 90‟s, the Company realized the importance of Mg alloy materials, and embarked the research since ever. With this accomplishment, the Company becomes the first mass production manufacturer in Taiwan for Mg alloy casing used for NBs. In recent years, the Company also actively makes efforts in research and development for new technologies, new processes, and new materials. Besides, we standardize our products into module, and it is recognized by the world‟s most prestigious companies, which represents that the technology skill experience of the Company achieves the worldwide standard. The Company will continue to invest in research based on past achievement and enhance employee quality to maintain the competitive advantages in innovation and new product development faster than other competitors.

- **Leading Position, Economies of Scale, and Time-to-market Capabilities**

We position ourselves as a one-stop-shopping service for metal technology and components manufacturing. We have developed vertically integrated manufacturing capabilities from design to manufacturing and logistics covering mode/ cutting tool design, multi-forming, CNC machining, variety of surface treatment, powder coating/painting and assembly, which enables the fast time-to-market capability, and quality assurance to meet global brand name clients" need. In addition to the development of special process and technology, the company's existing comprehensive manufacturing matrix enables the company to become one of the few metal casing manufactures with good quality, yield rate, production capacity and customized and innovative design, and all of these can achieve customer"s requirements.

In addition, the Company expands its productivity in engineering plastic products providing our customer in an integrity way. We are developing the service of integrating metal and plastic. Since the surface treatment in combining metal and plastic is complicated, we have been making more effort in developing new techniques in different surface treatment technology. We will make the investment for capacity according to the market situation and we believe that the potential growth is predictable in the upcoming year.

b. Negative Factors

- **Uncertainty of Global Economy , Industry Competition, and compressed Gross Margin**

After the financial crisis, the economy does not totally recover in recent years. Moreover, Geopolitical turmoil, European system changes, COVID-19 virus impact made the global economy in the uncertainty again and the demand for the electronic products was unstable. The electronics products technology is advancing, given shorter products life cycle, resulting in margin contraction. In the view of potential metal casing growth, there are a handful of new entrants stepped into this industry. Those companies, who originally focus on stamping, plastic molding, stainless steel manufacture, molding and assembly, would like to make premium metal casing as well. Due to the severe competition, the Company may have some potential operating pressure in the following years. Demand for hardware is not as strong as it has been in the past few years, and customers have put greater pressure on component prices in order to maintain profitability.

Although, the general profit margin in the metal casing industry is relative higher than others, basically, the different products" profits may vary for new competitors, the attractive factors are that if they will be able to drive their growth in sales with a better profit margin, if they can get meaningful orders from customers, and if they have enough capacity for mass production.

- **Action Plans**

i. Expand the production capacity to lower production cost with economies of scale and enhance innovation of more value-added, diversified and premium products to sustain the Company"s profitability.

ii. We are proud of providing existing clients with outstanding process technology by extending from handling products designing, mass production, back-up service, products distribution, to post-selling services. In addition, with superior production standard, we will aim at increasing yield rate to remain the Company"s core competency.

iii. We will also emphasize on providing customers with one-stop shopping service, covering from mold design, rapid prototyping, mold flow analysis, mold development and forming, CNC processing, fine polishing, surface anticorrosion treatment, superior coating to assembly, to fulfill clients" need.

iv. Penetrate into new applications and markets, make full use of the company's existing core competency to balance the company's product structure, and find the next growth driver.

v. Make use of existing customers, technology, production capacity, etc. to create maximum value.

- **Price Pressure and active Vertical Integration from Competitors**

Due to the increase of commercial notebook demand, the metal casing penetration rate is rising up. However, because of the high pressure of cost, most companies would like to adopt the cost saving solution, such as “stamping + Mg die casting internal frame” and “stamping + plastic internal frame”. In this way, the product can meet the attractive outlook requirement, and reduce the price pressure as well. As smartphone and tablet being the main growth driver for the industry, every assembler is targeting at this sector and looks for opportunity to enter into casing business.

Considering ODM & OEM companies are aggressively conducting vertical integration and all the top 4 NB ODM companies have abilities to coordinate with casing vendors, in a long term, at least certain percentage of casings will be manufactured in-house in ODM. Thus, Catcher‟s market share does not have a clear improvement this year and benefits from transferred orders are still vague.

- **Action Plans**

i. Fully utilizing our “most comprephensive matrix” advantage to continuously develop diversified material and processes for high end casing solution, which creates premium value for customers and then enhances the entry barrier.

ii. Given the current economics scale, we are putting efforts on product and process designs, automation, and efficiency improvement, to lower cost and improve quality.

iii. To adopt the design of “Stamping + Mg Die Casting Frame” or “Stamping + Plastic Internal Frame”, and focus more on value-added surface treatment.

iv. The major competitive factors in casing industry are mold development and surface treatment technology. Recently, most of domestic NB manufacturing companies strategically coordinated with casing manufacture companies, but most of them make plastic casing rather than metal one. Compared with plastic casing, the requirement for capital and technology know-how are important for metal casing manufacturing, and the yield rate cannot be improved easily in short-term. It may take quite a long time to achieve breakeven. Although there are some new competitors and they will become potential threat in the medium and long term, the Company still have the advantage of technology and quality.

Rising Production Cost in China; Shortage of Labors and Experienced Employees

Labor force is limited on account of the change of social values; as a result, the recruitment and production costs are increasing. The demands in skilled and experienced employees are strong because the manufacturing process in metal casing are complicated, the quality requirement is strict, and manpower cannot be totally replaced by the automation. Moreover, in terms of the shorter life cycle, and the increase of product demand, the Company need an abundant manpower and experienced employees. In addition, as a result of China‟s rapid economic growth, labor cost has been increased a lot; the appreciation of RMB currency, heavier tax, and the inflation.etc caused the labor costs increased dramatically as well.

- **Action Plans**

i. Under the principle in economics scales, we will produce our new developed, high price, and high margin products in Taiwan. Through product and manufacture processing designs to reduce reliance on labor force with automation production to achieve high quality performance with lower cost.

ii. The Company has enough economics scales to lower production cost. With plenty orders and reasonable profitability, we are able to recruit and retain excellent employees by offering well benefits and satisfied salary.

iii. Increasing automatic production in order to reduce the demand for manpower and improve the production stability.

Potential Substitute Materials

Metal alloy is not the only structure material for casing and the internal components of mobile devices and electronic products. Due to its cheaper cost, plastic casing had caused the demand of metal casing to slow down. Right now, plastic casing still has certain share in the market. And the development of new materials of carbon fiber, glass fiber, 3D glass, special metals, composite materials, and so on, may affect the long-term development of the metal casing as well.

- **Action Plans**

i. Catcher focuses on R&D and continues to dedicate on developing new potential substitutes. Recently, besides magnesium alloy and aluminum alloy, the Company begins to provide all kinds of metal alloy, such as zinc alloy, stainless steel, carbon fiber, and glass fiber. The Company also aggressively extended special process and technology to accommodate into existing technique, creating a “comprehensive manufacturing matrix”. Thus, the Company provides injection, extrusion, forging as well as die-casting, and all kinds of surface treatments on metal alloy products, such as anode, PVD. Catcher will provide better quality and service diversely, enlarge the differentiation between metal and non-metal, and keep improving competence.

ii. Catcher‟s R&D team puts efforts on the exploitation and development of new material, and on the upgrading and development of non-metal material. In addition to metal casing, the Company starts to develop plastic casing and composite materials as well. We saw a remarkable growth in 2013. We are looking forward to providing customers with one-stop shopping and grow together to reach the goal of win-win situation.

iii. Catcher puts more resources in investment and injects NTD 6 billion to set up a new subsidiary “KeYao” Technology, focusing on new material, new processes, and new business. The shows our determination as the pioneer in electronic structure parts. Recently, Catcher also invests into powder material, and can be more aggreesive in this area if customers do have the demand.

- **High Fluctuation and Unpredictability in Market Demand**

Due to the mild growth in needs of consumer electronics products, longer interval between the substitution of electronic products and fiercer competition among diffewrent brands, precise prediction on market preference by the supply chain becomes harder, which furthermore causes manufacturers to encounter uncertatinty in demands, more difficult planning for productivity and human resources, and high fluctuation in operations.

- **Action Plans**

i. Catcher actively develops new products and customers to increase the diversity of operations and to avoid impacts by single product needs

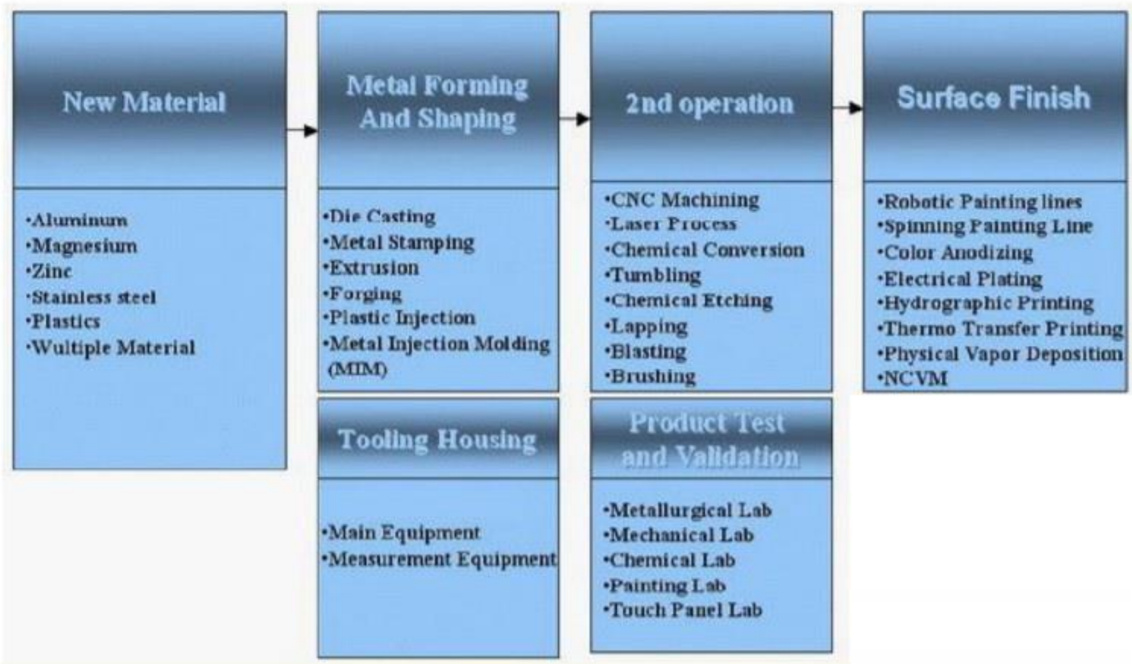
ii. Catcher constantly reinforces the design and manufacturing ability in the territory of existing products, offering customers the best choice.

(2) Usage and Manufacture Processing in Main Products:

A. Usage in Main Products:

Catcher‟s main products include the casing and internal components for mobile devices and other electronic products. These products are used to protect the body, LCD Panel and components, to dissipate heat, to provide protection from shock, and to prevent EMI.

B. Major Product Technology Process：



(3) Supply situation for the major raw materials

Material Categories	Area	Supply Status
Magnesium Alloy Ingot	Mainland China	Sufficient
Aluminum and Zinc Alloy Ingot	Domestic firms, Mainland China	Sufficient
Stainless Steel Sheet	Domestic firms, Japan	Sufficient
Stainless Steel Powder	Domestic firms, Japan, Europe	Sufficient

(4) Major Vendors and Customers

A. Major Customers

Unit: in thousand NTD

	2020				2019			
Item	Supplier	Amount	〔%〕	Related party	Supplier	Amount	〔%〕	Related party
1	G	45,791,405	55.50%	No	G	56,690,715	61.87%	No
2	C	17,006,380	20.61%	No	C	16,620,114	18.14%	No
3	T	9,985,587	12.10%	No	T	8,360,659	9.12%	No
	Others	9,722,660	11.79%		Others	9,956,627	10.87%	
	Net Sales	82,506,032	100.00%		Net Sales	91,628,115	100.00%	

Note: The variance is primarily resulted from the dynamic market and customer needs.

B. Major Vendors

Unit: in thousand NTD

2020				2019			
Supplier	Amount	〔%〕	Related party	Supplier	Amount	〔%〕	Related party
F	9,464,734	37%	No	F	8,921,005	39%	No
Others	15,934,196	63%	-	Others	13,745,344	61%	-
Totel	25,398,930	100%		Totel	22,666,349	100%	

Note: The variance is primarily resulted from the consideration of quality, pricing, new model, and new processes

(5) Production and Sales Figures

Unit: in thousand NTD；Thousand pieces

Year / Main Products	2020				2019			
	Capacity	Quantity	Production	Sales	Capacity	Quantity	Production	Sales
Product Sales	92,800	66,879	60,540,350	82,441,627	108,896	68,123	69,313,406	91,562,759
Others	-	-	46,431	64,405	-	-	47,814	65,356
Total	92,800	66,879	60,586,781	82,506,032	108,896	68,123	69,361,220	91,628,115

3. Employee Analysis

Catcher Technology Co., Ltd. Employee Analysis				
Year / Employees		2019	2020	As of 2021/2/28
Numbers of Employees	Direct Labors	2,614	2,779	2,783
	Indirect Labors	2,361	2,294	2,238
	Total	4,975	5,073	5,021
Average Age		31.87	32.53	32.68
Average Years of Employment		3.82	4.32	4.46
Level of Education (%)	Ph.D.	0.26	0.28	0.28
	Masters Degree	6.17	5.64	5.62
	Bachelors/Associate Degree	30.49	30.91	30.53
	High School	19.08	18.66	18.52
	Others	44.00	44.51	45.05

4. Environmental Protection Information

(1) Total losses and fines for environmental pollution for the two most recent fiscal years, and during the current fiscal year up to the date of printing of the annual report

None.

(2) Explanation of the measures to be taken and possible disbursements to be made in the future:

The Company complies with ISO 14001 and PDCA(Plan-Do-Check-Act Cycle) management system to exercise environment protection, and comply with regulation. In 2020, the company's Yongke factory in Tainan introduced a process water filtration recycling system to increase the recycling rate of water in the factory. In the manufacturing process of metal products, the company adheres to the spirit of cleaner production, and continues to advance in the direction of energy resource conservation and recycling. In the future, the company will continue to make unremitting efforts to save electricity and water in energy use, and to increase the recycling rate of waste water and factory wastes. Based on the promotion of environmental sustainability, the company will continue to improve and achieve higher standard self-motivation, fulfilling the social responsibility of a global leading enterprise.

5. Labor Relations:

(1) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interest:

A. Employee benefit plans are as follows:

a. Subsidy for festivals, birthdays and consolation money
b. Subsidy or compensation for maternity, funeral, and wedding
c. Bonus or drawing for the Chinese New Year Eve Festival
d. Paid vacations, travel funds and family day
e. Subsidy for regular health examination program
f. Care for employees who live on site
g. Subsidy for insurance and expenses related to business travel
h.Group insurance for employees
i. Education scholarship for employees' children

B. Continuing education and training: We encourage employees to pursue advanced knowledge and skills for career development. Employees have opportunities to participate in internal or external courses and forums and company will subsidy for those who pass certification programs.

C. Retirement systems: Company employees enjoy all benefits provided under labor insurance laws. Provisions have also been added to company regulations in accordance with the Labor Standards Law to provide benefits and security for employees when they retire.

D. Labor relations: The achievement of a company depends highly on the synergy created by human capital. In order to attract, train, and retain talents, Catcher provides great career development paths for our employees and always places importance on maintaining labor relation harmony. We possess the win-win philosophy and design a better working environment of attractive salary, welfares, and training systems in the hope to benefit both the Company and its employees.

(2) Loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report, disclose an estimate of losses incurred to date and indicate mitigation measures being or to be taken:

A. Catcher has maintained a good relationship with our employees, and there is no loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report. Catcher also estimates that no losses will be incurred in the future due to the labor disputes.

B. Mitigation measures being or to be taken: None

6. Major Agreements

Contract Type	Name of the Company	Contract Period	Major Content	Limitations
Lease	Taiwan Sugar Co., Ltd.	2000.4.20 | 2050.4.19	Land rental	The agreement will be terminated or cancelled if violate relative regulations or land pledged without agree written by the landlord.
Contract to purchase Catcher Technology (Suzhou)'s land, plants, dorms, partial equipment	Land Reserve Center of Suzhou Industrial Park	2014.11.28	Land and Factory Purchase	None
Contract for Transfer of the Right to the Use of Land-Topo Technology (Suzhou) Co., Ltd (Factory)	China-Singapore Suzhou Industrial Park Development Co.Ltd	2005.01.12 | 2055.01.11	Transfer of the right to the use of land	None
Contract for Transfer of the Right to the Use of Land-Meeca Technology (Suzhou) Co., Ltd (Factory)	China-Singapore Suzhou Industrial Park Development Co.Ltd	2006.04.30 | 2056.04.29	Transfer of the right to the use of land	None
Contract for Transfer of the Right to the Use of Land-Catcher Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2008.12.12 | 2058.12.11	Transfer of the right to the use of National-owned construction land	None

Contract for Transfer of the Right to the Use of Land-Catcher Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2010.01.05 | 2060.01.04	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Catcher Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2012.07.24 | 2062.07.23	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2012.08.24 | 2062.08.23	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2014.04.19 | 2064.04.18	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2014.12.15 | 2064.12.14	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Arcadia Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management	2015.01.15 | 2065.01.14	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Arcadia Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management	2015.01.15 | 2065.01.14	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Arcadia Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management	2015.03.24 | 2065.03.23	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Envio Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management	2017.09.15 | 2067.09.14	Transfer of the right to the use of National-owned construction land	None

Six、Overview of the Financial Status

1. Abbreviated Balance Sheets and Income Statements -IFRS

(1) Abbreviated Consolidated Balance Sheet -IFRS

Unit：In thousand NTD

Item \ Year		Past Five Fiscal Year (Note1)					As of 2021/03/31
		2020	2019	2018	2017	2016	(Note 3)
Current Assets		201,877,350	191,844,532	196,505,238	151,436,277	127,943,044	—
Property, Plant and Equipment		22,567,706	41,296,514	50,264,399	52,066,481	51,055,042	—
Intangible Assets		38,004	101,455	125,689	81,700	109,393	—
Other Assets		31,420,135	9,871,772	10,264,587	10,279,504	7,240,105	—
Total Assets		255,903,195	243,114,273	257,159,913	213,863,962	186,347,584	—
Current Liabilities	Before Distribution	91,462,675	93,271,004	103,990,484	77,326,260	57,291,101	—
	After Distribution (Note 2)	91,462,675	100,887,185	113,235,176	86,570,952	64,995,012	—
Long-term Liabilities		6,368,918	1,254,762	1,845,114	3,403,023	6,226,431	—
Total Liabilities	Before Distribution	97,831,593	94,525,766	105,835,598	80,729,283	63,517,532	—
	After Distribution (Note 2)	97,831,593	102,141,947	115,080,290	89,973,975	71,221,443	—
Equity attributed to parent company"s shareholders		157,975,065	148,462,713	151,219,313	133,050,446	122,629,326	
Capital		7,616,181	7,703,911	7,703,911	7,703,911	7,703,911	—
Capital reserve		20,008,231	20,237,791	20,238,740	20,270,956	20,269,657	—
Retained earnings	Before Distribution	144,744,963	132,709,517	130,686,978	111,282,634	97,143,287	—
	After Distribution (Note 2)	144,744,963	125,093,336	121,442,286	102,037,942	89,439,376	—
Other equity		-14,394,310	-12,188,506	-7,410,316	-6,207,055	-2,487,529	—
Treasury stock		0	0	0	0	0	—
Minority equity		96,537	125,794	105,002	84,233	200,726	—
Total Equity Total Equity	Before Distribution	158,071,602	148,588,507	151,324,315	133,134,679	122,830,052	—
	After Distribution (Note 2)	158,071,602	140,972,326	142,079,623	123,889,987	115,126,141	—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: Because 2021 shareholders" meeting has not yet been convened, the amount after distribution in 2020 represents the same as the amount before distribution.
Note 3: Up until the printing date, Q1/2021 financial report is not yet available.

(2) Abbreviated Parent Company Balance Sheet –IFRS

Unit：In thousand NTD

Item / Year		Past Five Fiscal Year (Note1)					As of 2021/03/31
		2020	2019	2018	2017	2016	(Note 3)
Current Assets		62,612,525	69,339,078	94,542,208	89,805,016	66,840,329	—
Property, Plant and Equipment		7,147,309	7,580,644	6,896,206	6,210,883	5,989,971	—
Intangible Assets		10,862	46,272	53,411	2,988	2,041	—
Other Assets		172,746,658	149,442,856	144,074,919	123,081,770	112,783,180	—
Total Assets		242,517,354	226,408,850	245,566,744	219,100,657	185,615,521	—
Current Liabilities	Before Distribution	79,774,687	77,763,289	94,292,872	85,967,923	62,070,808	—
	After Distribution (Note 2)	79,774,687	85,379,470	103,537,564	95,212,615	69,774,719	—
Long-term Liabilities		4,767,602	182,848	54,559	82,288	915,387	—
Total Liabilities	Before Distribution	84,542,289	77,946,137	94,347,431	86,050,211	62,986,195	—
	After Distribution (Note 2)	84,542,289	85,562,318	103,592,123	95,294,903	70,690,106	—
Equity attributed to parent company"s shareholders		157,975,065	148,462,713	151,219,313	133,050,446	122,629,326	
Capital		7,616,181	7,703,911	7,703,911	7,703,911	7,703,911	—
Capital reserve		20,008,231	20,237,791	20,238,740	20,270,956	20,269,657	—
Retained earnings	Before Distribution	144,744,963	132,709,517	130,686,978	111,282,634	97,143,287	—
	After Distribution (Note 2)	144,744,963	125,093,336	121,442,286	102,037,942	89,439,376	—
Other equity		-14,394,310	-12,188,506	-7,410,316	-6,207,055	-2,487,529	—
Treasury stock		0	0	0	0	0	—
Minority equity		0	0	0	0	0	—
Total Equity Total Equity	Before Distribution	157,975,065	148,462,713	151,219,313	133,050,446	122,629,326	—
	After Distribution (Note 2)	157,975,065	140,846,532	141,974,621	123,805,754	114,925,415	—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: Because 2021 shareholders" meeting has not yet been convened, the amount after distribution in 2020 represents the same as the amount before distribution.
Note 3: Up until the printing date, Q1/2021 audited financial report is not yet available.

(3) Abbreviated Consolidated Income Statement -IFRS

Unit：in thousand NTD（EPS: NTD）

Item \ Year	Past Five Fiscal Year (Note1)					As at 2021/03/31
	2020	2019	2018	2017	2016	(Note3)
Net Operating Revenues	82,506,032	91,628,115	95,416,141	93,295,960	79,113,653	—
Gross Profit	21,919,251	22,266,895	38,624,196	41,969,517	34,397,630	—
Operating Income (Loss)	14,935,168	14,109,148	29,604,362	33,433,242	27,490,819	—
Net Non-operating Income (expenses)	25,912,021	5,874,113	11,714,774	-688,024	5,134,229	—
Income (loss) Before Tax From Continuing Operations	40,847,189	19,983,261	41,319,136	32,745,218	32,625,048	—
Income (loss) From Continuing Operations	21,166,068	11,297,820	27,994,853	21,857,599	22,068,278	—
Income (loss) From Discontinued Operations	0	0	—	—	—	—
Net Profit (loss)	21,166,068	11,297,820	27,994,853	21,857,599	22,068,278	—
Other Comprehensive Income (loss)	(2,204,666)	(4,783,094)	(528,309)	(3,726,580)	(7,512,681)	—
Total Comprehensive Income (loss)	18,961,402	6,514,726	27,466,544	18,131,019	14,555,597	—
Net Profit attributed to Parent Company"s shareholders	21,129,820	11,272,124	27,972,188	21,843,250	22,019,794	—
Net Profit attributed to minority	36,248	25,696	22,665	14,349	48,484	—
Comprehensive Income attributed to Parent Company"s shareholders	18,924,016	6,493,934	27,445,775	18,123,732	14,575,286	—
Comprehensive Income attributed to minority	37,386	20,792	20,769	7,287	(19,689)	—
Earnings Per Share (Note 2)	27.65	14.63	36.31	28.35	28.58	—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee"s bonus distribution.
Note 3: Up until the printing date, audited Q1/2021 financial report is not yet available.

(4) Abbreviated Parent Company's Income Statement –IFRS

Unit：in thousand NTD（EPS: NTD）

Item \ Year	Past Five Fiscal Year (Note1)					As at 2021/03/31
	2020	2019	2018	2017	2016	(Note 3)
Net Operating Revenues	57,693,223	64,460,760	66,951,051	65,607,147	59,353,755	
Gross Profit	2,885,372	3,673,706	8,393,585	7,591,901	5,053,498	—
Operating Income (Loss)	1,757,976	2,494,760	7,509,608	6,742,308	4,253,180	—
Net Non-operating Income (expenses)	26,220,367	10,100,348	23,368,943	18,507,660	21,101,513	—
Income (loss) Before Tax From Continuing Operations	27,978,343	12,595,108	30,878,551	25,249,968	25,354,693	—
Income (loss) From Continuing Operations	21,129,820	11,272,124	27,972,188	21,843,250	22,019,794	—
Income (loss) From Discontinued Operations	-	-	—	—	—	—
Net Profit (loss)	21,129,820	11,272,124	27,972,188	21,843,250	22,019,794	—
Other Comprehensive Income (loss)	(2,205,804)	(4,778,190)	(526,413)	(3,719,518)	(7,444,508)	—
Total Comprehensive Income (loss)	18,924,016	6,493,934	27,445,775	18,123,732	14,575,286	—
Net Profit attributed to Parent Company"s shareholders	—	—	—	—	—	—
Net Profit attributed to minority	—	—	—	—	—	—
Comprehensive Income attributed to Parent Company"s shareholders	—	—	—	—	—	—
Comprehensive Income attributed to minority	—	—	—	—	—	—
Earnings Per Share (Note 2)	27.65	14.63	36.31	28.35	28.58	—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee"s bonus distribution.
Note 3: Up until the printing date, Q1/2021 audited financial report is not yet available.

2. Names of the Auditors and the Opinions:

Year	CPA Firm	CPA	Auditors' Opinion	Reason for change CPA
2016	Deloitte & Touche	Hung Ju Liao Chun Chi Kung	unqualified opinion	
2017	Deloitte & Touche	Chi Chen Lee Chun Chi Kung	unqualified opinion	Job rotation inside CPA firm
2018	Deloitte & Touche	Chi Chen Lee Chun Chi Kung	unqualified opinion	
2019	Deloitte & Touche	Chi Chen Lee Chun Chi Kung	unqualified opinion	
2020	Deloitte & Touche	Chi Chen Lee Lee Yuan Kuo	unqualified opinion	Job rotation inside CPA firm

2. Financial Analysis for the Past Five Years

(1) Consolidated Financial Analysis –IFRS

Unit：in thousand NTD

Analysis Items (Year)		Financial Information For The Past 5 Years (Note 2)					As of 2021/03/31
		2020	2019	2018	2017	2016	(Note 3)
Capital Structure (%)	Debt ratio	38.22	38.88	41.15	37.74	34.08	—
	Long-term Funds to Fixed Assets	700.00	359.50	300.84	255.53	240.19	—
Liquidity (%)	Current Ratio	220.72	205.68	188.96	195.84	223.32	—
	Quick Ratio	213.50	188.88	162.00	180.04	215.02	—
	Times Interest Earned	7,188.60	2,182.10	8,890.80	10,426.33	13,866.71	—
Operating Performance	Accounts Collection Turnover (times)	4.03	3.76	3.33	2.84	2.56	—
	Average Collection Days	90.57	97.07	109.60	128.52	142.57	—
	Inventory Turnover (times)	6.00	3.52	3.29	8.05	8.35	—
	Average Payable Turnover (times)	6.40	5.45	4.33	5.86	7.60	—
	Inventory Turnover Days	60.83	103.69	110.94	45.34	43.71	—
	Fixed asset Turnover (times)	2.58	2.00	1.86	1.80	1.44	—
	Total asset Turnover (times)	0.33	0.36	0.40	0.46	0.44	—
Profitability	Return on Assets (%)	8.60	4.73	12.02	11.02	12.42	—
	Return on Equity (%)	13.81	7.53	19.69	17.09	18.51	—
	Income Before Tax as % of Capital	536.32	259.39	536.33	425.04	423.48	—
	Net income to Sales (%)	25.65	12.33	29.33	23.42	27.89	—
	EPS（NTD）（Note 1）	27.65	14.63	36.31	28.35	28.58	—
Cash Flow (%)	Cash Flow Ratio	22.19	27.66	25.89	42.49	42.32	—
	Cash Flow Adequacy Ratio	121.74	119.43	108.83	123.13	118.89	—
	Cash flow Reinvestment Ratio	6.46	7.69	8.37	13.57	9.84	—
Leverage	Operating Leverage	3.48	4.02	2.22	1.98	2.03	—
	Financial Leverage	1.04	1.07	1.01	1.00	1.00	—

Please explain the changes of any financial information in the past 5 years. (excluding changes less than 20%)

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.

Note2: The financial information over the past 5 years has been audited by independent auditors.

Note3: Up until the printing date, Q1/2021 audited financial report is not available

Explanations for Significant Changes (over 20%)

- Long-term Funds to Fixed Assets, Fixed asset Turnover (times): The ratios increased because fixed assets reduced.
- Times Interest Earned: The ratio increased due to lower interest expenses and an increase in net profits before tax this year.
- Inventory Turnover (times), Inventory Turnover Days: Due to lower average balance of inventory, inventory turnover (times) increased and inventory turnover days declined.
- Return on Assets (%),Return on Equity (%), Income Before Tax as % of Capital, Net income to Sales (%), EPS: The ratios increased due to the divestment of China subsidiaries.

(2) Parent Company Financial Analysis –IFRS

Unit：in thousand NTD

Analysis Items \ Year		Financial Information For The Past 5 Years (Note 2)					As of 2021/03/31
		2020	2019	2018	2017	2016	(Note 3)
Capital Structure (%)	Debt Ratio	34.86	34.42	38.42	39.27	33.93	—
	Long-term Funds to Fixed Assets	2,210.27	1,958.44	2,192.78	2,142.21	2,047.24	—
Liquidity (%)	Current Ratio	78.48	89.16	100.26	104.46	107.68	—
	Quick Ratio	75.21	81.24	89.03	99.11	105.47	—
	Times Interest Earned	6,145.80	3,105.72	8,198.42	8,968.47	11,177.48	—
Operating Performance	Accounts Collection Turnover (times)	4.75	5.10	4.13	2.95	2.72	—
	Average Collection Days	76.84	71.56	88.37	123.72	134.19	—
	Inventory Turnover (times)	12.94	7.32	8.35	26.23	80.17	—
	Average Payable Turnover (times)	11.71	4.39	2.26	2.4	2.9	—
	Inventory Turnover Days	28.2	49.86	43.71	13.91	4.55	—
	Fixed asset Turnover (times)	7.83	8.90	10.21	10.75	10.06	—
	Total asset Turnover (times)	0.24	0.27	0.28	0.32	0.33	—
Profitability	Return on Assets (%)	9.16	4.93	12.18	10.91	12.58	—
	Return on Equity (%)	13.79	7.52	19.68	17.08	18.47	—
	Income Before Tax as % of Capital	367.35	163.48	400.81	327.75	329.11	—
	Net income to Sales (%)	36.62	17.48	41.78	33.29	37.09	—
	EPS（NTD）(Note 1）	27.65	14.63	36.31	28.35	28.58	—
Cash Flow (%)	Cash Flow Ratio	40.12	-19.12	2.95	23.94	-2.51	—
	Cash Flow Adequacy Ratio	67.15	42.60	84.74	106.5	72.77	—
	Cash flow Reinvestment Ratio	16.86	-15.61	-4.12	9.36	-7.26	—
Leverage	Operating Leverage	18.49	14.66	5.35	5.8	8.12	—
	Financial Leverage	1.35	1.20	1.05	1.04	1.05	—

Please explain the changes of any financial information in the past 5 years. (excluding changes less than 20%)

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.

Note2: The financial information over the past 5 years has been audited by independent auditors.

Note3: Up until the printing date, Q1/2021 financial report is not available

Explanations for Significant Changes (over 20%)

- Times interest earned: This ratio increased due to a decrease in interest expense and an increase in net profit before tax this year.
- Inventory Turnover (times), Average Payable Turnover (times), Inventory Turnover Days: Due to lower average balance of inventory and payable, inventory turnover (times) and average payable turnover (times) increased and inventory turnover days declined.
- Accounts collection turnover (times): The ratio increased because of average balance of receivables decreased compared with 2019.
- Return on Assets (%), Return on Equity (%), Income Before Tax as % of Capital, Net income to Sales (%), EPS（NTD）: The changes in this financial ratio are mainly due to the divestment of China subsidiaries.
- Cash flow ratio, Cash Flow Adequacy Ratio, Cash flow reinvestment ratio: The ratio increased due to higher cash inflow from operating activities.
- Operating Leverage: The ratio increased due to lower operating profits.

Formula for Financial Analysis：

A. Capital Structure

- Debt ratio = Total liabilities/Total assets
- Long-term funds to fixed assets =（Stockholders‟ equity＋Long-term Liabilities）/ Net Fixed Assets

B. Liquidity

- Current ratio = Current assets/Current liability
- Quick ratio =（Current asset-Inventories-Prepaid Expense - Current Deferred Income Tax）/Current Liability
- Times interest earned = Earnings before interest and Taxes/Interest Expense

C. Operating Performance

- Accounts collection turnover(times)（including accounts receivable and notes receivable from operating）= Net Sales / Average Trade Receivable（including accounts receivable and notes receivable from operating）
- Average collection days = 365 / Average Collection Turnover (Times)
- Inventory turnover times = Cost of Goods Sold / Average Inventory
- Average payable turnover (times)（including accounts payable and notes payable from operating）= Cost of Goods Sold /Average Trade Payables（including accounts payable and notes payable from operating）
- Inventory turnover days = 365 / Inventory Turnover (times)
- Fixed assets turnover (times) = Net Sales / Average Fixed Assets
- Total assets turnover (times) = Net sales / Average Total Assets

D. Profitability

- Return on total assets =[Net Income after Tax+ Interest Expense× (1- Tax Rate)] / Average Total Assets
- Return on Equity = Net Income after Tax / Average Stockholders‟ Equity.
- Net income to sales = Net Income after Tax / Net Sales.
- EPS =（Net Income after Tax-Preferred Stock Dividend）/ Weighted Average Number of Shares Outstanding

E. Cash Flow

- Cash flow ratio = Net operating cash flow/Current liability.
- Cash flow adequacy ratio = Net operating cash flow over the last 5 years/over the last 5 years（capital expense + inventory + cash dividend）
- Cash flow reinvestment ratio =（Net operating cash flow-cash dividends）/（ Gross fixed assets + long-term investment+other assets + working capital）

F. Leverage

- Operating leverage=(Net Sales-Variable Cost & expense) / Income from Operations
- Financial leverage=Income from Operations/(Income from Operations-Interest Expenses)

3. Audit Committee's Review Report

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 14-5 of the Securities and Exchange Act and Article 219 of the Company Act.

Catcher Technology Co., Ltd.

Audit Committee Members

Independent Director:

March 10 , 2021

4. Consolidated Financial Statements

Please refer to appendix 1

5. Financial Statements

Please refer to appendix 2

6. Financial Difficulties Information

None.

Seven、Financial Position, Business Performance and Risks

1. Financial Position

Analysis of Financial Position

Unit: in thousand NTD

Item \ Year	2020	2019	Difference	
			Amount	%
Current Assets	201,877,350	191,844,532	10,032,818	5%
Fixed Assets, Plant and Equipment	22,567,706	41,296,514	-18,728,808	-45%
Intangible Assets	38,004	101,455	-63,451	-63%
Other Assets	31,420,135	9,871,772	21,548,363	218%
Total assets	255,903,195	243,114,273	12,788,922	5%
Current Liabilities	91,462,675	93,271,004	-1,808,329	-2%
Long-term Liabilities	6,368,918	1,254,762	5,114,156	408%
Total liabilities	97,831,593	94,525,766	3,305,827	3%
Equity attributed to parent company's shareholders	157,975,065	148,462,713	9,512,352	6%
Capital	7,616,181	7,703,911	-87,730	-1%
Capital Reserve	20,008,231	20,237,791	-229,560	-1%
Retained Earnings	144,744,963	132,709,517	12,035,446	9%
Shareholders' Equity - others	-14,394,310	-12,188,506	-2,205,804	18%
Treasury stock	0	0	0	0%
Minority equity	96,537	125,794	-29,257	-23%
Total Equity	158,071,602	148,588,507	9,483,095	6%

(1) Explanations for Significant Changes in Financial Position

- Decrease in Fixed Assets, Plant & equipment and Intangible Assets due to divestment of Taizhou subsidiaries this year.
- Increase in Other Assets due to increase of Financial assets at amortized costs.
- Increase in long-term liabilities due to increase of Deferred income tax liabilities.
- Decrease in minority equity due to decrease of profit by subsidiaries.

(2) Significant Influences by the Changes

No material influences.

(3) Action Plans for the Influences

Not Applicable.

2. Operating Results

(1)Analysis of Operating Results

Unit: in thousand NTD

Item \ Year	2020	2019	Increase (Decrease) Amount	Percentage of change (%)
Net sales	82,506,032	91,628,115	(9,122,083)	-10%
Gross Profit	21,919,251	22,266,895	(347,644)	-2%
Operating Income (Loss)	14,935,168	14,109,148	826,020	6%
Non-Operating Income (Expenses)	25,912,021	5,874,113	20,037,908	341%
Income before Income Tax	40,847,189	19,983,261	20,863,928	104%
Profit from Continuing Operations	21,166,068	11,297,820	9,868,248	87%
Loss from Discontinued Operations	—	—	0	0%
Net Income (Loss)	21,166,068	11,297,820	9,868,248	87%
Other Comprehensive Income	(2,204,666)	(4,783,094)	2,578,428	-54%
Total Comprehensive Income	18,961,402	6,514,726	12,446,676	191%
Net Profit attributed to Parent Company"s shareholders	21,129,820	11,272,124	9,857,696	87%
Net Profit attributed to Non-Controlling Equity	36,248	25,696	10,552	41%
Total Comprehensive Income attributed to Parent Company"s shareholders	18,924,016	6,493,934	12,430,082	191%
Total Comprehensive Income attributed to Non-controlling Equity	37,386	20,792	16,594	80%
Earnings per Share	27.65	14.63	13.02	89%

Explanations for Significant Changes

- Increase across all ratios this year due to the divestment of Taizhou subsidiaries in China.

(2)Sales Quantities Estimation for Next Year

Non Applicable as this company doesn't compile and publicly announce fiscal forecast.

(3)Possible Impact on Future Business and Responsive Plans

No significant impact on financial and business.

3. Analysis on Cash Flow

Cash Balance at the Beginning of the Year (A) (2019.12.31)	Net Cash Provided by Operating Activities (B) (2020)	Net cash Provided from Investing and Financing Activities (C) (2020)	Impact from changes in Foreign Currency Exchange Rate (D) (2020)	Balance of Net Cash (A+B+C+D) (2020.12.31)	Remedy for cash shortfall	
					Investment Plan	Finance plan
$69,017,246	$20,304,119	$24,838,528	-$2,276,912	$111,882,981	—	—

(1)Analysis Cash Flow Changes during the Most Recent Fiscal Year

- **Operating Activities**

  Cash inflow approximately NTD 20,304,119 thousand was mainly because the Company continued to generate profits and collection of accounts receivable.

- **Investing Activities**

  Cash inflow approximately NTD 30,958,598 thousand was mainly due to the divestment of subsidiaries.

- **Financing Activities**

  Cash outflow approximately NTD 6,120,070 thousand was mainly due to cash dividend payment and treasury shares buyback.

(2)Action Plans to Improve the Cash Flow

Not Applicable

(3)Cash Liquidity Analysis for the Upcoming Year

Not Applicable

4. Impact on the Company's Financial Operations and Contingency Action Regarding Major Capital Expenditures

(1) Major Capital Expenditures

Unit: in thousand NTD

Plan	Actual or Expected Sources of Capital	Actual or Planned Completion Date	Expected Benefits
-Construction of Factories -Machinery and Equipment	-Self owned capital -Bank loans	In progress	To plan better working environment for the Company"s long-term management. For capacity expansion to enhance the competitiveness of Catcher and improve the operating efficiency, which shall benefit shareholders.

5. Investment Policy, Causes of Profit/Loss and Future Investment Plans

(1) Investment Policy

Catcher is determinant to make strategic transformation and will make use of the Group's accumulated resources over the years to create internal organic growth and to look for domestic and overseas investment and M&A opportunities in line with the company's long-term development to diversify overall arrangement as the medium and long-term growth momentum, using these entities as the company's development supports after transformation. Every investment case is only executed after comprehensive analysis and consideration. In addition, the Company carefully monitors and evaluates its investment companies' operation and performance.

(2) Causes of Profit / Loss

The Company has recognized investment gains of $ 28,273,363 thousand in 2020. These gains were mostly contributed from subsidiaries.

6. Risk Management and Evaluation

(1)Impact on Corporate Profitability from Fluctuating Interest Rates, Exchange Rates, and Inflation

A. Interest Rate Risk

The Company’s interest rate risk is generated from the short-term liabilities of operating activities. The risk is low because of adopting stable rate and low-cost financial instruments. For the respect of assets, we mostly invest in high-liquidity, short-term fixed-income bonds or term deposits in order to protect capital and reduce risks.

B. Exchange Rate Risk

The Company mostly charges US dollars from sales, and most payable for machinery/equipment by Japanese yen. The Company’s foreign currency policy is relative conservative by dynamically adjusting assets and liabilities positions and engaging in hedging instruments to lower exchange rate risk.

C. Inflation Risk

The annual CPI decreased by 0.23% in 2020, the lowest in the past five years mainly because the epidemic led to drop in international crude oil and raw material prices. The Department of Accounting and Statistics predicts that the CPI will rise slightly by 1.33% in 2021. The Company will adjust its inventory stock level to reduce possible impact from inflation risk.

(2)Profit or Loss from Activities in High Risk and Highly Leveraged Investments, Loans Provided to Others, Endorsements and Guarantees, and Derivatives

Catcher did not engage in any high-risk investment or any leveraged investment. Parties who were given endorsements or loans by Catcher were all subsidiaries or operation needed. The endorsements and loans policy are all followed by the Company‟s Endorsement and Guarantee Procedure and Lending of Capital Procedure. All the derivatives engaged by the Company were under non-trading purpose. They are mainly to lower the risk of the exchange rate. We comply with the Company‟s Procedures of Asset Acquisition and Disposition where regulates in conducting derivatives transactions.

(3)Upcoming R&D Plans and Their Status

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

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

When mobile devices move toward higher frequency, high speed, and high-level computing design, 5G and heat dissipation are both important issues. It will also be a challenge and opportunity for Catcher and other mechanical components factory. Catcher will also invest more resources in R&D in those areas. Catcher’s R&D expense were NT$1,584,650 thousand in 2020, accounting for approximately 1.9% of consolidated revenue. It is estimated that the budget for R&D activities in year 2021 will keep at 2%-4% of consolidated revenue.

(4)Impact on the Company’s Financial Operation and Contingency Action Regarding Recent Changes in Domestic and International Policies and Regulations

The Company has dedicated staff to follow the important domestic and international policy and legal changes at any time; responding for seeking professional advices such as lawyer and accountant and plan preventative actions. During 2020, such changes have no major impact on our operation.

(5)Impact on the Company’s Financial Operations and Contingency Action Regarding Recent Changes in Technology

We pay full attention on collecting and analyzing the market and technology‟s development changes of various alloy products. Thus, we are able to minimize the impact from technology changes. In addition to enhance in value-added and high profit products‟ developments, we continue to focus on diversity in product and profit improvement. . Also we emphasize on keeping long-term relationship with our customers by providing total solutions of product designs, mass production, logistic supports, sales distribution, and customer services. Thus, we can reduce the impacts on changes in technology.

(6)Impact on the Company’s Risk Management and Contingency Action Regarding Recent Changes in Corporate Image

Our Company has always upheld integrity and abides by the law and fulfills social responsibility; hence our corporation image has been superior. As of the date of publishing this annual report there are no matters risking the Company‟s normal operation or corporate image.

(7)Risk from the Company’s Any Merger and Acquisitions

As of the date of publishing this annual report there is no such issues incurred.

(8)Risk of Excess Capacity from Fluctuating Economics Conditions

After appropriate analysis in the industry, market status, cost, and production of the Company in different bases, we has maintained a leading position in technology and processing within the industry. We aim to improve the productivity and yield for cost advantages, as well as decreasing the risk of expanding the plants; hopefully this would significantly boost the corporation profit performance.

(9)Risk of Profit/Loss if Sales/Material are Concentrated on a Single or Few Customers/Suppliers, and a Major Customers/Supplier Reduces its Orders/Supplies

A. Risk of Sales Concentrated

Major customers are disclosed in operation overview section. Although the major operating revenues are from international big brand customers, there is no material risk in sales concentration. However, the Company‟s sales still depends on the status of prosperity of the economics status, customers‟ product designs, outsourcing strategy and inventory adjustment.

B. Risk of Suppliers concentrated

The major vendors are disclosed in operation overview section. There is no material purchase concentrated situation.

From the perspective of Catcher and the industry, it is better toward to dispersion in purchase and sales. We will continue putting efforts and keeping the business in a balance and conservative status.

(10) Risk of Change of Control and Stock Price Fluctuation from Large Scale Transfer of Shares

Directors and major shareholders all keep a positive perspective to Company. However, shareholders may have their personal considerations regarding their portfolios or tax concerns. When our directors and major shareholders (>10% holding) are planning to take a major transfer, they might communicate with the Board and managements. Thus, there is no negative impact to the Company‟s operation and shareholders‟ equity. We follow the regulations and consider the Company‟s profit and shareholders‟ benefit at first priority. Up until the printing date, there is no shareholders with more than 10% shareholdings.

(11) Risk of the Company Losing One or More Key Personnel without Adequate Replacement Due to Any Change of Company Control

There is no change in governance personnel being taken during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

(12) Litigation and Non-litigated Incidents

The financial report has full disclosed the related litigation and non-litigation matters and their effects.

(13) Other Significant Risks

None

7. Other Necessary Supplements

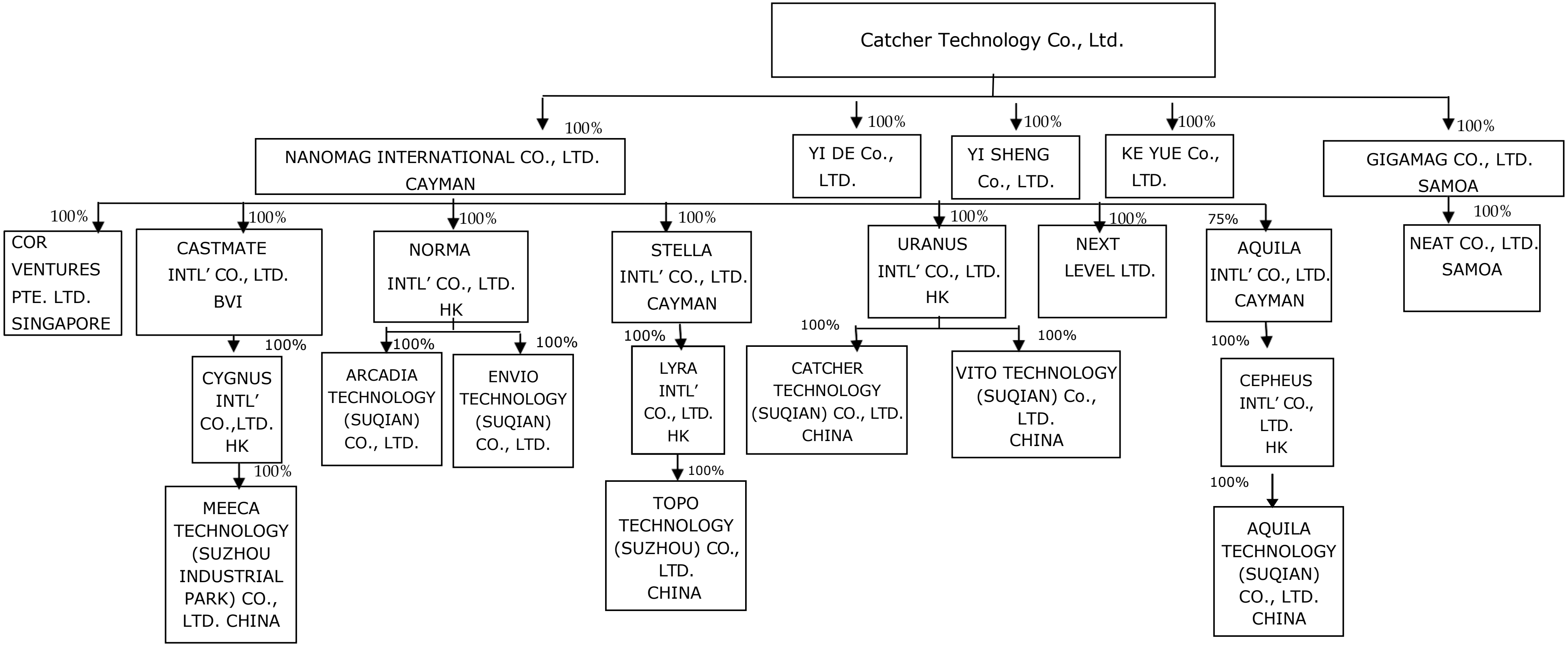
None

Eight 、 Special items to be included

1. Summary of Affiliated Enterprises

(1)The Consolidated Operating Report

A. Organizational Chart (2020.12.31)



B. Basic Information of the Company's Affiliated Enterprises:

2020/12/31; Unit: in thousand NTD

Name of Corporation	Date of incorporation	Address	Capital	Major Business
Nanomag International Co., LTD.	2001.07.19	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	1	Investment activities
Gigamag Co., LTD.	2000.12.15	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	484,941	Investment activities
Castmate International Co., LTD.	1998.04.15	Vistra Corporate Services Centre, Wickhams Cay II, Road Town Tortola VG1110, British Virgin Islands	28,753	Investment activities
Stella International Co., LTD.	2003.11.13	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	9,457,614	Investment activities
Aquila International Co., LTD.	2005.01.06	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	31,898	Investment activities
Uranus International Co., LTD.	2007.11.07	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	11,363,787	Investment activities
Norma International Co., LTD.	2014.09.18	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	8,530,720	Investment activities
Cygnus International Co., LTD.	2007.11.07	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	284,950	Investment activities
Lyra International Co., LTD.	2007.11.07	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	9,456,881	Investment activities
Cepheus International Co., LTD.	2007.11.09	Room 1907, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	39,872	Investment activities
Neat Co., LTD.	2017.03.03	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	285	International Trades
Next Level LTD.	2019.01.25	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	285	Investment activities

Cor Ventures Pte. LTD.	2020.03.27	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	261,266	Investment activities
Topo Technology (Suzhou) Co., LTD.	2003.12.22	No 111, ChangYang St. Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	285,085	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	2006.03.14	No 107, ChangYang St. Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	284,800	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Catcher Technology (Suqian) Co., Ltd.	2008.12.09	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	5,696,000	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
VITO Technology (Suqian) Co., Ltd.	2012.07.11	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	5,554,990	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Arcadia Technology (Suqian) Co., Ltd.	2014.10.23	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	5,692,494	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Aquila Technology (Suqian）Co., Ltd.	2005.03.21	Factories A08-A10, SU-SU Industrial Park, Suqian City,SUZHOU	39,872	Manufacturing and marketing of electronic parts and molds
EnvioTechnology (Suqian) Co., LTD.	2017.05.18	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	2,847,124	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Ke Yue Co., LTD.	2018.03.07	1f, No. 10, Ln. 138, RenAi St., Yanxing Vil., Yongkang Dist., Tainan City	1,129,000	Investment activities
Yi Sheng Co., LTD.	2018.03.07	1f, No. 10, Ln. 138, RenAi St., Yanxing Vil., Yongkang Dist., Tainan City	298,000	Investment activities
Yi De Co., LTD.	2018.03.07	1f, No. 10, Ln. 138, RenAi St., Yanxing Vil., Yongkang Dist., Tainan City	298,000	Investment activities

C. Information for Common Shareholders of Treated-as Controlled Companies and Affiliates

None.

D. Business of Catcher’s Affiliates and their relationship

2020/12/31

Major Business	Name of Affiliated Enterprises	Relationship in between
Investment activities	Nanomag International Co., LTD.	Invest in Castmate International Co., LTD.、 Stella International Co., LTD.、 Aquila International Co., LTD.、Uranus International Co., LTD.、Norma International Co., LTD.、 Next Level LTD.、Cor Ventures Pte. LTD.
Investment activities	Gigamag Co., LTD.	Invest in Neat Co., LTD.
Investment activities	Castmate International Co., LTD.	Invest in Cygnus International Co., LTD.

Investment activities	Stella International Co ., LTD.	Invest in Lyra International Co., LTD.
Investment activities	Aquila International Co., LTD.	Invest in Cepheus International Co., LTD.
Investment activities	Uranus International Co., LTD.	Invest in Catcher Technology (Suqian) Co., Ltd., Vito Technology (Suqian) Co., LTD.
Investment activities	Norma International Co., LTD.	Invest in Arcadia Technology (Suqian) Co., Ltd., Envio Technology (Suqian) Co., LTD.
Investment activities	Cygnus International Co., LTD.	Invest in Meeca Technology（Suzhou Industrial Park）Co., LTD.
Investment activities	Lyra International Co., LTD.	Invest in Topo Technology (Suzhou) Co., LTD.
Investment activities	Cepheus International Co., LTD.	Invest in Aquila Technology (Suzhou)Co., LTD.
Investment activities	Next Level LTD.	None
Investment activities	Ke Yue Co., LTD.	None
Investment activities	Yi Sheng Co., LTD.	None
Investment activities	Yi De Co., LTD.	None
International Trade	Neat Co., LTD.	None
Investment activities	Cor Ventures Pte. LTD.	None
Manufacturing and sales of electronics products	Topo Technology (Suzhou) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Meeca Technology（Suzhou Industrial Park）Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Catcher Technology (Suqian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	VITO Technology (Suqian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Envio Technology (Suqian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Aquila Technology (Suqian）Co., Ltd.	Sales and production of molds and electronic parts

E. Directors, Supervisors and General Manager of Affiliated Enterprises

Unit: Share; %

Name of Corporation	Title		Shareholding	
			Shares	%
Nanomag International Co., LTD.	Director	Catcher Technology Co., Ltd.	30	100
Gigamag Co., LTD.	Director	Catcher Technology Co., Ltd.	14,377,642	100
Castmate International Co., LTD.	Director	Nanomag International Co., Ltd.	1,009,592	100
Stella International Co., LTD.	Director	Nanomag International Co., Ltd.	332,079,144	100
Aquila International Co., LTD.	Director	Nanomag International Co., Ltd.	1,050,000	75
Next Level LTD.	Director	Nanomag International Co., Ltd.	10,000	100
Uranus International Co., LTD.	Director	Mei-Hsing Chen	0	0
Cygnus International Co., LTD.	Director	Mei-Hsing Chen	0	0
Lyra International Co., LTD.	Director	Mei-Hsing Chen	0	0
Cepheus International Co., LTD.	Director	Mei-Hsing Chen	0	0
Norma International Co., LTD.	Director	Mei-Hsing Chen	0	0
Neat Co., LTD.	Director	Gigamag Co., Ltd.	10,000	100
Cor Ventures Pte. LTD.	Director	Wei-Jou Hung	0	0
Topo Technology (Suzhou) Co., LTD.	Director & Chairman	Lyra International Co., Limited Representative: Chun-Lin Kuo	0	0
	Director	Lyra International Co., Limited Representative: Chin-Wen Chung	0	0
	Director	Lyra International Co., Limited Representative: I-Wen Yang	0	0
	Supervisor	Lyra International Co., Limited Representative: Ming-Yu Deng	0	0
	CEO	Tien Szu Hung	0	0
Meeca Technology (Suzhou Industrial Park) Co., LTD.	Director & Chairman	Cygnus International Co., Limited Representative: I-Wen Yang	0	0
	Director	Cygnus International Co., Limited Representative: Chun-Lin Kuo	0	0
	Director	Cygnus International Co., Limited Representative: Chin-Wen Chung	0	0
	Supervisor	Cygnus International Co., Limited Representative: Ming-Yu Deng	0	0
	CEO	Tien Szu Hung	0	0

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	%
Catcher Technology (Suqian) Co., Ltd.	Director & Chairman	Uranus International Co., Ltd. Representative: Chun-Lin Kuo	0	0
	Director	Uranus International Co., Ltd. Representative: I-Wen Yang	0	0
	Director	Uranus International Co., Ltd. Representative: Chin-Wen Chung	0	0
	Supervisor	Uranus International Co., Ltd. Representative: Ming-Yu Deng	0	0
	CEO	Tien Szu Hung	0	0
VITO Technology (Suqian) Co., Ltd.	Director & Chairman	Uranus International Co., Ltd. Representative: Chun-Lin Kuo	0	0
	Director	Uranus International Co., Ltd. Representative: Chin-Wen Chung	0	0
	Director	Uranus International Co., Ltd. Representative: I-Wen Yang	0	0
	Supervisor	Uranus International Co., Ltd. Representative: Ming-Yu Deng	0	0
	CEO	Tien Szu Hung	0	0
ENVIO Technology (Suqian) Co., Ltd.	Director & Chairman	Norma International Co., Limited Representative: I-Wen Yang	0	0
	Director	Norma International Co., Limited Representative: Chun-Lin Kuo	0	0
	Director	Norma International Co., Limited Representative: Chin-Wen Chung	0	0
	Supervisor	Norma International Co., Limited Representative: Ming-Yu Deng	0	0
	CEO	Tien Szu Hung	0	0
Arcadia Technology (Suqian) Co., Ltd.	Director & Chairman	Norma International Co., Limited Representative: Ang Kah Kwee	—	—
	Director	Norma International Co., Limited Representative: Chun-Lin Kuo	—	—
	Director	Norma International Co., Limited Representative: Chin-Wen Chung	—	—
	Supervisor	Norma International Co., Limited Representative: Ming-Yu Deng	—	—
	CEO	Ang Kah Kwee	—	—
Aquila Technology (Suqian) Co., Ltd.	Director & Chairman	Cepheus International Co., Limited Representative: I-Wen Yang	—	—
	Director	Cepheus International Co., Limited Representative: Chun-Lin Kuo	—	—
	Director	Cepheus International Co., Limited Representative: Chin-Wen Chung	—	—
	Supervisor	Cepheus International Co., Limited Representative: Ming-Yu Deng	—	—
	CEO	Tien Szu Hung	—	—
Ke Yue Co., Ltd.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Tang-Lung Hsu	11,290,000	100
	Director	Catcher Technology Co., Ltd. Representative: Shu-Huei Huang	11,290,000	100
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-YuTeng	11,290,000	100
Yi Sheng Co., Ltd.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Tang-Lung Hsu	3,070,000	100
	Director	Catcher Technology Co., Ltd. Representative: Shu-Huei Huang	3,070,000	100
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-YuTeng	3,070,000	100
Yi De Co., Ltd.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Tang-Lung Hsu	3,070,000	100
	Director	Catcher Technology Co., Ltd. Representative: Shu-Huei Huang	3,070,000	100
	Supervisor	Catcher Technology Co., Ltd. Representative: Ming-YuTeng	3,070,000	100

F. Summarized Operation Results of Affiliated Enterprises

2020/12/31; Unit: in thousand; NTD

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth (Shareholders' Equity)	Operating Revenues	Operating Income (Loss)	Net Income (Loss) (After Tax)	Earnings Per Share after Tax($)
Nanomag International Co.,Ltd.	1	149,717,075	1,582,270	148,134,805	0	-4,075	29,050,679	968,355,967
Gigamag Co.,Ltd.	484,941	1,784,711	692,654	1,092,057	609,378	580,699	1,127,452	78
Castmate International Co.,Ltd.	28,753	3,266,900	0	3,266,900	0	-59	-166,613	-165
Cygnus International Co., Limited	284,950	5,823,043	2,848,096	2,974,947	0	-389	-171,506	-17
Stella International Co.,Ltd.	9,457,614	39,108,177	0	39,108,177	0	-181	21,115,446	64
Lyra International Co., Limited	9,456,881	45,831,233	6,723,065	39,108,169	0	-33,279	21,113,531	64
Uranus International Co., Limited	11,363,787	37,821,840	65	37,821,775	0	-130	9,087,937	23
Norma International Co., Limited	8,530,720	8,109,670	63	8,109,608	0	-128	-453,938	-2
Aquila International Co.,Ltd.	42,531	386,150	0	386,150	0	-216	144,994	104
Cepheus International Co., Limited	39,872	385,516	52	385,464	0	-54	145,205	104
Neat Co., Ltd.	285	249	0	249	0	0	3	0
Next Level Co., Ltd.	285	5,789,915	5,641,978	147,937	44,652,945	-35	86,470	8,647
Cor Ventures Pte. Ltd.	261,266	256,537	243	256,294	0	-242	-4,924	0
Ke Yue Co., Ltd.	1,129,000	1,135,418	15,645	1,119,774	0	-11,121	-10,053	-1
Yi Sheng Co., Ltd.	298,000	298,558	0	298,558	0	-23	335	0
Yi De Co., Ltd.	298,000	298,558	0	298,558	0	-23	335	0

Meeca Technology (Suzhou Industrial Park) Co., Ltd.	284,800	1,030,881	20,090	1,010,791	33,176	-185,741	-138,069	Note
Topo Technology (Suzhou) Co., Ltd.	285,085	1,066,505	13,868	1,052,638	15,421	-139,741	-99,948	Note
Catcher Technology (Suqian) Co., Ltd.	5,696,000	21,697,450	4,900,931	16,796,518	22,624,802	9,591,645	6,533,512	Note
VITO Technology (Suqian) Co., Ltd.	5,554,990	17,996,182	4,781,745	13,214,437	13,284,335	3,766,531	3,220,946	Note
Arcadia Technology (Suqian) Co., Ltd.	5,692,494	5,406,204	3,322,831	2,083,373	543,752	-1,375,907	-1,957,379	Note
Aquilia Technology (Suqian) Co., Ltd.	39,872	514,949	130,310	384,639	767,505	250,715	174,835	Note
Envio Technology (Suqian) Co., Ltd.	2,847,124	8,075,007	2,626,443	5,448,564	9,391,157	1,810,204	1,485,088	Note

Note: not applicable to limited company

(2) Consolidated Financial Statements Covering Affiliated Enterprises

Letter of Representation

The Companies represented in the consolidated financial statements of “Catcher Technology Co., Ltd. and its Affiliated Enterprises” for the year ended December 31, 2020 made in accordance with “The Rules Governing Preparation of Affiliated Enterprises Consolidated Operating Report, Affiliated Enterprises Consolidated Financial Statements and Relationship Report” are the identical companies represented in the consolidated financial statements of Catcher Technology Co., Ltd. and Subsidiaries made in accordance with International Accounting Standards No. 10. The disclosures to the consolidated financial statements of affiliated enterprises are fully presented in the consolidated financial statements of “Catcher Technology Co., Ltd. and Subsidiaries”. Accordingly, we will not present separately consolidated financial statements of affiliated enterprises”.

Catcher Technology Co., Ltd.
Chairman: Shui-Shu Hung
2021/03/10

(3) Report on Affiliations:

None.

2. Issuance of Private Placement Securities

None.

3. Acquisition or Disposal of Catcher’s Shares by Subsidiaries

None.

4. Other Necessary Supplements

None.

Nine、Disclosures of Events which may Have a Significant Influence on Stockholders Equity or Share Price, in Compliance with Item 2, Paragraph 2 In Article 35 of the Securities and Exchange Law of the R.O.C.

None.

Appendix 1 、 Consolidated Financial Statements audited by accountant during the most recent fiscal year

Catcher Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CATCHER TECHNOLOGY CO., LTD.

By

SHUI-SHU HONG
Chairman
March 10, 2021

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

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

- We determined the appropriateness of the Group's methodology for the evaluation of inventory impairment and obsolescence loss based on our understanding of the business and industry, coupled with our understanding of the nature and aging of the inventory.

- We obtained the valuation report of the net realizable value of the inventory and assessed the reasonableness of the inventory valuation by sample-selecting inventory items and comparing their carrying amounts to the latest sales prices.

Other Matter

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

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

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Notice to Readers

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	December 31, 2020		December 31, 2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
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
NON-CURRENT ASSETS				
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
TOTAL	$ 255,903,195	100	$ 243,114,273	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
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
NON-CURRENT LIABILITIES				
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
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
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
NON-CONTROLLING INTERESTS	96,537	-	125,794	-
Total equity	158,071,602	62	148,588,507	61
TOTAL	$ 255,903,195	100	$ 243,114,273	100

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)	60,586,781	73	69,361,220	76
GROSS PROFIT	21,919,251	27	22,266,895	24
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	1,584,650	2	2,419,351	3
Total operating expenses	6,984,083	9	8,157,747	9
PROFIT FROM OPERATIONS	14,935,168	18	14,109,148	15
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	(712)	-	(9,730)	-
Total non-operating income and expenses	25,912,021	32	5,874,113	7
PROFIT BEFORE INCOME TAX	40,847,189	50	19,983,261	22
INCOME TAX EXPENSE (Notes 4 and 26)	19,681,121	24	8,685,441	10
NET PROFIT	21,166,068	26	11,297,820	12
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(27,978)	-	(31,338)	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

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

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)
Cancelation 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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	20,304,119	25,802,112
CASH FLOWS FROM INVESTING ACTIVITIES		
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	2,362,960	4,310,300
Net cash generated from investing activities	30,958,598	28,650,807
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	(66,643)	-
Net cash used in financing activities	(6,120,070)	(13,377,158)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(2,276,912)	(1,363,015)
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,865,735	39,712,746
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	69,017,246	29,304,500
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$111,882,981	$69,017,246

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

(Concluded)

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

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were published after being approved by the Company's board of directors on March 10, 2021.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

a) Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

b) The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

c) Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for assets or liabilities.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 12, tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, assets and liabilities of a foreign operation (including subsidiaries in other countries that use currencies which are different from the currency of the Group) are translated into the New Taiwan dollar at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in associates

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

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

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

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

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

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

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

h. Property, plant and equipment

Property, plant and equipment are 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.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

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

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

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

j. Intangible assets

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

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

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

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in 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 30.

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, investments in debt instruments, accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss.

Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Group’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

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

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

n. Leases

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

1) The Group as lessor

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

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

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

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

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

2) The Group as lessee

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

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

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

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

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

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

o. Borrowing costs

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

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

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

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

a. Write-down of inventories

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

b. Income taxes

As of December 31, 2020 and 2019, for the purpose of expanding the Group's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2020 will be used for permanent investment; the proposal was approved by the board of directors on March 10, 2021. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings. If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. Due to the government's implementation of The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Group evaluated the optimizaiton of its working capital and tax planning. The board of directors of Gigamag Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on July 28, 2020, which has been approved by the government. Remaining unappropriate retained earnings of other overseas subsidiaries will still be used for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	$ 3,330	$ 5,153
Deposits in banks	34,838,700	23,233,337
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	76,439,595	45,228,298
Repurchase agreements	601,356	550,458
	$ 111,882,981	$ 69,017,246

The range of interest rates of time deposits and repurchase agreements was as follows:

	December 31	
	2020	2019
Time deposits	0.11%-3%	0.6%-2.55%
Repurchase agreements	1.05%-1.1%	2.8%-2.9%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic quoted shares	$ 349,801	$ 324,380

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

Investments in equity instruments

	December 31	
	2020	2019
Non-current		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	$ 53,880	$ 57,075
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	30,300	32,220
Foreign investments		
Limited partnerships - China Renewable Energy Fund, L.P.	568,700	453,835
	$ 652,880	$ 543,130

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

The Group invested US$7,059 thousand, US$2,472 thousand and US$ 5,597 thousand in China Renewable Energy Fund, L.P. in June 2019, September 2019 and October 2020, respectively. The Group accounted for 23.51% of the total investment. In addition, the Group only holds 1 out of 5 seats in the Operation Committee. Therefore, the Group's management considered that it has no significant influence over the investee and classified the investment as financial assets at FVTOCI - non-current.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
Current		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	$ 65,314,334	$ 82,470,638
Repurchase agreements (a)	-	68,257
Refundable deposits	19,555	10,750
	$ 65,333,889	$ 82,549,645
Non-current		
Domestic investments		
Restricted bank deposits (b)	$ 24,321,980	$ -
Time deposits with original maturity of more than 1 year (a)	261,556	-
Refundable deposits	1,870	994
	$ 24,585,406	$ 994

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

	December 31	
	2020	2019
Time deposits	0.28%～2.22%	0.66%～2.8%
Repurchase agreements	-	2.9%

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

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 21	$ -
Notes receivable - operating	$ 21	$ -

(Continued)

	December 31	
	2020	2019
Trade receivables		
At amortized cost		
Gross carrying amount	$ 17,374,684	$ 23,661,147
Less: Allowance for impairment loss	(57,183)	(57,183)
	$ 17,317,501	$ 23,603,964
Other receivables	$ 306,029	$ 656,973

(Concluded)

a. Notes receivable

The Group analyzed the notes receivable that were not past due based on the past due status, and the Group did not recognize an allowance for loss on notes receivable as of December 31, 2020 and 2019.

b. Trade receivables

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

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

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

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

December 31, 2020

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

December 31, 2019

	Not Past Due	Less than 60 Days	61 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%~0.245%	0%~1.997%	0%~9.667%	100%	
Gross carrying amount	$23,342,449	$ 318,617	$ 9	$ 72	$23,661,147
Loss allowance (Lifetime ECLs)	(57,100)	(11)	-	(72)	(57,183)
Amortized cost	$23,285,349	$ 318,606	$ 9	$ -	$23,603,964

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 57,183	$ 57,184
Foreign exchange gains and losses	-	(1)
Balance at December 31	$ 57,183	$ 57,183

c. Other receivables

The Group analyzed other receivables that were not past due based on the past due status, and the Group did not recognize an allowance for loss on other receivables as of December 31, 2020 and 2019.

11. INVENTORIES

	December 31	
	2020	2019
Merchandise	$ 44,250	$ 18,255
Finished goods	4,333,700	7,779,374
Work-in-process and semi-finished goods	1,279,262	5,143,037
Raw materials and supplies	346,595	1,223,027
	$ 6,003,807	$ 14,163,693

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

	For the Year Ended December 31	
	2020	2019
Cost of inventories sold	$ 56,216,023	$ 69,139,192
Inventory write-downs	4,471,489	196,722
Others	(100,731)	25,306
	$ 60,586,781	$ 69,361,220

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

			% of Ownership		
			December 31		
Investor	Investee	Main Business	2020	2019	Remark
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	
	Ke Yue Co., Ltd.	Investing activities	100	100	
	Yi Sheng Co., Ltd.	Investing activities	100	100	
	Yi De Co., Ltd.	Investing activities	100	100	
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Investing activities	100	100	
	Stella International Co., Ltd.	Investing activities	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	
	Norma International Co., Ltd.	Investing activities	100	100	
	Next Level Ltd.	Investing activities	100	100	
	Cor Ventures Pte. Ltd.	Investing activities	100	-	Note 1
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Investing activities	100	100	
Cygnus International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	100	Note 2
	Meeca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	100	Note 2
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Investing activities	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	100	100	
Norma International Co. Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Gigamag Co., Ltd.	Neat Co., Ltd.	International trade	100	100	

Note 1: Nanomag International Co., Ltd. incorporated its 100% owned subsidiary, Cor Ventures Pte Ltd., in September 2020.

Note 2: The board of directors of the Company resolved to dispose of all shares of the subsidiaries, and the settlement was completed in December 2020. Refer to Note 28 for related disclosures of disposal of subsidiaries.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in associates		
Associates that are not individually material	$ 11,583	$ 12,295

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

	For the Year Ended December 31	
	2020	2019
The Group's share of:		
Net profit and total comprehensive income (loss) for the year	$ (712)	$ (9,730)

14. PROPERTY, PLANT AND EQUIPMENT

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

See Table 11 for the statements of changes in property, plant and equipment for the years ended December 31, 2020 and 2019.

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

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

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amounts		
Land	$ 1,225,208	$ 1,973,105
Buildings	20,016	13,599
	$ 1,245,224	$ 1,986,704

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 68,528	$ -
Depreciation charge for right-of-use assets		
Land	$ 47,409	$ 47,749
Buildings	10,370	8,799
	$ 57,779	$ 56,548
Income from the subleasing of right-of-use assets (recognized as operating revenue)	$ (2,225)	$ (2,176)

b. Lease liabilities

	December 31	
	2020	2019
Carrying amounts		
Current	$ 17,584	$ 29,596
Non-current	$ 142,925	$ 131,173

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	0.71%	0.71%
Buildings	0.71% and 4.9%	0.71% and 4.9%

c. Material lease-in activities and terms

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

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

d. Subleases

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

	December 31	
	2020	2019
Year 1	$ 1,669	$ 1,673

e. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 5,074	$ 14,470
Expenses relating to low-value asset leases	$ 1,793	$ 1,908
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 36,842	$ 87,310
Total cash outflow for leases	$ 112,524	$ 122,173

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

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2019	$ 203,363	$ 922,809	$ 1,126,172
Additions	-	930	930
Effect of foreign currency exchange difference	-	(30,369)	(30,369)
Balance at December 31, 2019	$ 203,363	$ 893,370	$ 1,096,733
Accumulated depreciation			
Balance at January 1, 2019	$ -	$ 533,441	$ 533,441
Depreciation	-	45,192	45,192
Effect of foreign currency exchange difference	-	(17,748)	(17,748)
Balance at December 31, 2019	$ -	$ 560,885	$ 560,885
Carrying amounts at December 31, 2019	$ 203,363	$ 332,485	$ 535,848
Cost			
Balance at January 1, 2020	$ 203,363	$ 893,370	$ 1,096,733
Additions	-	4,907	4,907
Disposals	-	(9,446)	(9,446)
Effect of foreign currency exchange difference	-	11,498	11,498
Balance at December 31, 2020	$ 203,363	$ 900,329	$ 1,103,692

(Continued)

	Land	Buildings	Total
Accumulated depreciation			
Balance at January 1, 2020	$ -	$ 560,885	$ 560,885
Depreciation	-	43,607	43,607
Disposals	-	(8,500)	(8,500)
Effect of foreign currency exchange difference	-	7,401	7,401
Balance at December 31, 2020	$ -	$ 603,393	$ 603,393
Carrying amounts at December 31, 2020	$ 203,363	$ 296,936	$ 500,299

(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

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	
	2020	2019
Fair value	$ 2,334,976	$ 1,926,116

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

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

	December 31	
	2020	2019
Year 1	$ 63,166	$ 54,165
Year 2	58,889	54,165
Year 3	13,309	50,565
Year 4	7,560	5,403
Year 5	7,560	-
Year 6 onwards	9,135	-
	$ 159,619	$ 164,298

17. INTANGIBLE ASSETS

	Computer Software	Emission License	Total
Cost			
Balance at January 1, 2019	$ 309,397	$ 17,478	$ 326,875
Additions	41,828	-	41,828
Effect of foreign currency exchange differences	(6,599)	(695)	(7,294)
Balance at December 31, 2019	$ 344,626	$ 16,783	$ 361,409
Accumulated amortization			
Balance at January 1, 2019	$ 198,564	$ 2,622	$ 201,186
Amortization expense	60,218	3,501	63,719
Effect of foreign currency exchange differences	(4,702)	(249)	(4,951)
Balance at December 31, 2019	$ 254,080	$ 5,874	$ 259,954
Carrying amounts at December 31, 2019	$ 90,546	$ 10,909	$ 101,455
Cost			
Balance at January 1, 2020	$ 344,626	$ 16,783	$ 361,409
Additions	19,834	-	19,834
Disposal of subsidiaries	(31,423)	(17,205)	(48,628)
Effect of foreign currency exchange differences	2,893	422	3,315
Balance at December 31, 2020	$ 335,930	$ -	$ 335,930
Accumulated amortization			
Balance at January 1, 2020	$ 254,080	$ 5,874	$ 259,954
Amortization expense	57,650	3,346	60,996
Disposal of subsidiaries	(15,851)	(9,463)	(25,314)
Effect of foreign currency exchange differences	2,047	243	2,290
Balance at December 31, 2020	$ 297,926	$ -	$ 297,926
Carrying amounts at December 31, 2020	$ 38,004	$ -	$ 38,004

The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2 - 10 years
Emission license	5 years

18. OTHER ASSETS

	December 31	
	2020	2019
Current		
Net Input VAT	$ 271,331	$ 950,398
Office supplies	202,579	324,869
Prepaid expenses	103,173	207,746
Prepayments to suppliers	11,292	17,458
Others	4,628	4,657
	$ 593,003	$ 1,505,128
Non-current		
Prepaid equipment	$ 77,196	$ 356,980
Others	900	2,167
	$ 78,096	$ 359,147

19. SHORT-TERM BORROWINGS

	December 31	
	2020	2019
Unsecured borrowings		
Bank unsecured loans	$ 70,465,726	$ 70,352,230

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

	December 31	
	2020	2019
Bank unsecured loans	0.59%-0.87%	0.59%-3.92%

20. NOTES PAYABLE AND TRADE PAYABLES

Both notes payable and trade payables resulted from operating activities.

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

21. OTHER LIABILITIES

	December 31	
	2020	2019
Current		
Other payables		
Payables for employees' compensation	$ 3,149,338	$ 3,271,750
Payables for salaries and bonuses	1,641,648	2,640,880
Payables for technical service fees	424,678	764,766
Payables for professional service fees	313,657	502
Payables for office supplies	179,285	257,128
Payables for purchases of equipment	138,474	229,869
Payables for annual leave	126,473	141,763
Payables for taxes	115,567	174,130
Payables for rework cost	90,364	90,364
Payables for shipping expenses and warehousing	88,228	57,714
Payables for utilities	75,349	182,908
Payables for maintenance	46,116	182,407
Payables for meals	44,041	133,621
Payables for interest	12,451	72,862
Others	478,989	613,979
	$ 6,924,658	$ 8,814,643
Other liabilities		
Advance receipts	$ 1,690,202	$ 11,277
Deferred revenue	606,496	1,256,706
Payables for value-added tax	20,183	51,006
Guarantee deposits received	13,680	27,125
Others	22,432	32,026
	$ 2,352,993	$ 1,378,140
Non-current		
Other liabilities		
Guarantee deposits received	$ 21,677	$ 19,736
Others	10	20
	$ 21,687	$ 19,756

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of mainland China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Law is operated by the ROC government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	$ 80,599	$ 78,352
Fair value of plan assets	(74,041)	(71,794)
Net defined benefit liabilities	$ 6,558	$ 6,558

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, 2019	$ 74,967	$ (68,415)	$ 6,552
Service cost			
Current service cost	1,967	-	1,967
Net interest expense (income)	843	(781)	62
Recognized in profit or loss	2,810	(781)	2,029
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,284)	(2,284)
Actuarial loss - changes in demographic assumptions	840	-	840
Actuarial loss - changes in financial assumptions	4,198	-	4,198
Actuarial gain - experience adjustments	(2,754)	-	(2,754)
Recognized in other comprehensive income	2,284	(2,284)	-
Contributions from the employer	-	(2,023)	(2,023)
Benefits paid	(1,709)	1,709	-
Balance at December 31, 2019	78,352	(71,794)	6,558

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 1,953	$ -	$ 1,953
Net interest expense (income)	627	(582)	45
Recognized in profit or loss	2,580	(582)	1,998
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,397)	(2,397)
Actuarial loss - changes in demographic assumptions	804	-	804
Actuarial loss - changes in financial assumptions	4,017	-	4,017
Actuarial gain - experience adjustments	(2,424)	-	(2,424)
Recognized in other comprehensive income	2,397	(2,397)	-
Contributions from the employer	-	(1,998)	(1,998)
Benefits paid	(2,730)	2,730	-
Balance at December 31, 2020	$ 80,599	$ (74,041)	$ 6,558

(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	
	2020	2019
Operating costs	$ 1,341	$ 1,321
Selling and marketing expenses	86	92
General and administrative expenses	371	400
Research and development expenses	200	216
	$ 1,998	$ 2,029

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2020	2019
Discount rate	0.35%	0.8%
Expected rate of salary increase	2%	2%

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

	December 31	
	2020	2019
Discount rate		
0.25% increase	$ (2,272)	$ (1,378)
0.25% decrease	$ 2,349	$ 3,400
Expected rate of salary increase		
0.25% increase	$ 2,226	$ 3,304
0.25% decrease	$ (2,165)	$ (1,297)

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	
	2020	2019
Expected contributions to the plan for the next year	$ 1,998	$ 2,023
Average duration of the defined benefit obligation	10 years	11 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2020	2019
Number of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	761,618	770,391
Shares issued	$ 7,616,181	$ 7,703,911

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

On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020. The Company's paid-in capital was $7,616,181 thousand after the capital reduction.

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

2) Global depositary receipts

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

As of December 31, 2020 and 2019, there were 805 thousand units and 728 thousand units of outstanding GDRs, equivalent to 4,024 thousand ordinary shares and 3,638 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Arising from issuance of ordinary shares	$ 7,229,828	$ 7,460,295
Arising from conversion of bonds	12,775,052	12,775,052
Donations from shareholders	3,351	2,444
	$ 20,008,231	$ 20,237,791

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

The shareholders of the Company held their regular meeting on June 12, 2019 and resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each six months of the fiscal year.

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

1) Pay taxes;

2) Offset against deficit, if any;

3) Estimate compensation of employees and remuneration of directors;

4) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;

5) Reverse a special reserve in accordance with the laws or operating needs; and

6) Any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders.

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

1) Pay taxes;

2) Offset against deficit, if any;

3) 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.

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

Under the dividends policy as set forth in the Articles before the amendments, when the Company makes a profit in a fiscal year, the profit should be appropriated as follows:

1) Offset against deficit, if any;

2) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company’s paid-in capital;

3) Reverse a special reserve in accordance with the laws or operating needs; and

4) 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 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 25(h).

The legal reserve may be used to offset deficits. 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.

Per Order No. 1010012865 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs,” the Company should make provisions to or reversals from a special reserve.

The appropriations of earnings for 2019 and 2018 were approved in the shareholders' meetings on June 30, 2020 and June 12, 2019, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2019	2018
Legal reserve	$ 1,127,212	$ 2,797,219
Special reserve	$ 4,778,189	$ 1,203,262
Cash dividends	$ 7,616,181	$ 9,244,692
Cash dividends per share (NT$)	$ 10	$ 12

d. Other equity items

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (12,148,648)	$ (7,401,796)
Exchange differences on translating the financial statements of foreign operations	(2,177,826)	(4,746,852)
Balance at December 31	$ (14,326,474)	$ (12,148,648)

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (39,858)	$ (8,520)
Unrealized gain/(loss) - equity instruments	(27,978)	(31,338)
Balance at December 31	$ (67,836)	$ (39,858)

e. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance as of January 1	$ 125,794	$ 105,002
Share of profit for the year	36,248	25,696
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	1,138	(4,904)
Distribution of earnings of subsidiaries	(66,643)	-
Balance as of December 31	$ 96,537	$ 125,794

f. Treasury shares

To maintain the Company's credit and shareholders' equity, on March 17, 2020, the Company's board of directors resolved to buy back 25,000 thousand shares from March 18, 2020 to May 17, 2020 at the price range from $132 per share to $354.2 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the execution duration, the Company bought back 8,773 thousand shares with total cost of $1,796,390 thousand. On

May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020.

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

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

24. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from the sale of metal casing	$ 82,441,627	$ 91,562,759
Rental income	64,405	65,356
	$ 82,506,032	$ 91,628,115

a. Contract information

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

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables			
Gross carrying amount	$ 17,374,684	$ 23,661,147	$ 25,080,753
Less: Allowance for impairment loss	(57,183)	(57,183)	(57,184)
	$ 17,317,501	$ 23,603,964	$ 25,023,569
Contract liabilities - current			
Sale of goods	$ 12,545	$ 25,614	$ 35,176

25. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 1,988,997	$ 4,132,214
Repurchase agreements	12,924	20,426
	$ 2,001,921	$ 4,152,640

b. Other income

	For the Year Ended December 31 2020	2019
Government grants	$ 2,483,013	$ 3,214,000
Tax refund income	1,230,578	-
Recycling income	121,676	113,441
Dividend income	19,443	26,040
Others	10,944	13,352
	$ 3,865,654	$ 3,366,833

c. Other gains and losses

	For the Year Ended December 31 2020	2019
Gains on disposal of subsidiaries (Note 28)	$ 25,951,192	$ -
Fair value changes of financial assets mandatorily classified as at FVTPL	25,008	(17,484)
Others	270,711	105,500
	$ 26,246,911	$ 88,016

d. Interest expense

	For the Year Ended December 31 2020	2019
Interest on bank loans	$ 574,903	$ 958,465
Interest on lease liabilities	1,334	1,299
	$ 576,237	$ 959,764

e. Depreciation and amortization

	For the Year Ended December 31 2020	2019
An analysis of depreciation by function		
Operating costs	$ 7,748,827	$ 10,898,158
Operating expenses	973,790	1,154,890
	$ 8,722,617	$ 12,053,048
An analysis of amortization by function		
Operating costs	$ 39,994	$ 37,588
Operating expenses	27,056	30,808
	$ 67,050	$ 68,396

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2020	2019
Direct operating expenses from investment properties generating rental income	$ 46,431	$ 47,814

g. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 18,750,911	$ 17,343,214
Post-employment benefits		
Defined contribution plans	782,464	1,191,479
Defined benefit plans (Note 22)	1,998	2,029
	784,462	1,193,508
	$ 19,535,373	$ 18,536,722
An analysis of employee benefits expense by function		
Operating costs	$ 16,144,809	$ 14,728,039
Operating expenses	3,390,564	3,808,683
	$ 19,535,373	$ 18,536,722

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, 2020 and 2019, which were approved by the Company's board of directors on March 10, 2021 and March 10, 2020, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Compensation of employees	3.99%	7.01%
Remuneration of directors	0.05%	0.12%

Amount

	For the Year Ended December 31			
	2020		2019	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 1,164,883	$ -	$ 950,847	$ -
Remuneration of directors	15,523	-	16,444	-

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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	
	2020	2019
Foreign exchange gains	$ 10,071,675	$ 8,313,212
Foreign exchange losses	(15,697,191)	(9,077,094)
	$ (5,625,516)	$ (763,882)

26. 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	
	2020	2019
Current tax		
In respect of the current year	$ 9,653,260	$ 7,317,929
Income tax on unappropriated earnings	-	689,486
Adjustment for prior years	400,439	82,991
Tax on repatriated offshore funds	2,294,302	-
	12,348,001	8,090,406
Deferred tax		
In respect of the current year	4,634,433	595,035
Adjustment for prior year	2,698,687	-
	7,333,120	595,035
	$ 19,681,121	$ 8,685,441

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

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

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$ 40,847,189	$ 19,983,261
Income tax expense calculated at the statutory rate	$ 4,196,539	$ 3,797,885
Unrecognized temporary differences	(23,596)	(20,245)
Research and development tax credits from China	(127,496)	(141,014)
Non-deductible expenses in determining taxable income	46,317	4,812
Non-additive income in determining taxable income	(401,355)	-
Deferred tax effect of earnings of subsidiaries	5,185,790	1,090,733
Withholding tax on remittance of earnings	1,683,887	3,037,147
Tax-exempt income	(8,890)	(5,208)
Additional income tax on unappropriated earnings	-	689,486
5-year tax-exempt income	-	(21,264)
Unrecognized loss carryforwards	752,129	170,118
Adjustments for prior years' deferred tax	2,698,687	-
Adjustments for prior years' tax	400,439	82,991
Tax on repatriated offshore funds	2,294,302	-
Capital gains tax on disposal of subsidiaries	2,984,368	-
	$ 19,681,121	$ 8,685,441

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

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

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	$ 90,318	$ 23,503
Current tax liabilities		
Income tax payable	$ 3,997,201	$ 1,446,742

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, 2020

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Deferred tax assets				
Temporary differences				
Provisions for losses on inventories	$ 191,433	$ 6,880	$ (701)	$ 197,612
Depreciation differences	3,973,218	647,346	(197,608)	4,422,956
Unrealized intercompany profit	1,787,239	(1,025,993)	(4,043)	757,203
Unrealized sales returns	19,840	(18,583)	-	1,257
Defined benefit obligation	1,310	2	-	1,312
Payables for annual leave	43,136	(3,048)	(1,000)	39,088
Impairment loss on property, plant and equipment	2,787	(2,614)	-	173
Financial assets at FVTPL	5,646	3,497	-	9,143
Other payables	4,578	(4,435)	-	143
Right-of-use assets	-	61	-	61
Allowances for impaired receivables	13	(13)	-	-

(Continued)

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Unrealized foreign exchange losses	$ 20,340	$ 212,691	$ -	$ 233,031
Others	66,570	18,655	(3,202)	82,023
	6,116,110	(165,554)	(206,554)	5,744,002
Tax losses	44,833	663,504	(18,685)	689,652
	$ 6,160,943	$ 497,950	$ (225,239)	$ 6,433,654
Deferred tax liabilities				
Temporary differences				
Depreciation differences	$ 24,300	$ 2,252	$ -	$ 26,552
Reserves for land value increment tax	12,597	-	-	12,597
Unappropriated earnings of subsidiaries	-	1,090,733	(32,607)	1,058,126
	$ 36,897	$ 1,092,985	$ (32,607)	$ 1,097,275

(Concluded)

d. Information about unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
$ 364,440	2021
573,837	2022
133,032	2023
169,774	2024
760,310	2025
299,615	2030
$ 2,301,008	

As of December 31, 2020, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

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

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

The taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized amounted to NT$12,980,304 thousand and NT$20,953,639 thousand as of December 31, 2020 and 2019, respectively.

f. Income tax assessments

The tax returns of the Company through 2017 have been assessed by the tax authorities. The tax returns of the subsidiaries through 2018 have been by the tax authorities.

27. EARNINGS PER SHARE

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

Net profit for the year

	For the Year Ended December 31	
	2020	2019
Profit for the year attributable to owners of the Company	$ 21,129,820	$ 11,272,124

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

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares in computation of basic earnings per share	764,102	770,391
Effect of potentially dilutive ordinary shares:		
Compensation of employees	6,461	5,592
Weighted average number of ordinary shares used in the computation of diluted earnings per share	770,563	775,983

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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.

28. DISPOSAL OF SUBSIDIARIES

On August 18, 2020, the Group entered into a share purchase agreement to dispose of Topo Technology (Taizhou) Co., Ltd. and Meeca Technology (Taizhou) Co., Ltd. (collectively referred to as “Taizhou Subsidiaries”), which carried out the Group’s cell phone casing production. The disposal was completed on December 31, 2020, on which date control of Taizhou Subsidiaries has been passed to the acquirer.

a. Consideration received from disposals

	Taizhou Subsidiaries
Consideration received in cash and cash equivalents	$ 41,029,007

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

	Taizhou Subsidiaries
Current assets	
Cash and cash equivalents	$ 735,979
Financial assets at amortized cost	1,273
Trade receivables	2,111,820
Other receivables	3,823,085
Inventories	8,174,890
Current tax assets	54,949
Other current assets	649,882
Non-current assets	
Property, plant and equipment	12,239,757
Right-of-use assets	774,755
Intangible assets	23,314
Other non-current assets	23,717
Current liabilities	
Short-term borrowings	(3,835,547)
Contract liabilities	(4,484)
Trade payables	(4,909,828)
Other payables	(5,442,490)
Current tax liabilities	(62,289)
Other current liabilities	(30,166)
Net assets disposed of	$ 14,328,617

c. Gain on disposal of subsidiaries

	Taizhou Subsidiaries
Consideration received	$ 41,029,007
Net assets disposed of	(14,328,617)
Reclassification of other comprehensive income in respect of subsidiaries	(571,027)
Related fees and taxes	(178,171)
Gain on disposal (recognized as other gains and losses)	25,951,192
Less: Capital gains tax (recognized as income tax expense)	2,984,368
Net gain on disposals	$ 22,966,824

d. Net cash inflow on disposals of subsidiaries

	Taizhou Subsidiaries
Consideration received in cash and cash equivalents	$ 41,029,007
Less: Cash and cash equivalent balances disposed of	(735,979)
	$ 40,293,028

29. CAPITAL MANAGEMENT

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

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2020

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

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	$ 324,380	$ -	$ -	$ 324,380
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	$ -	$ -	$ 89,295	$ 89,295
Limited partnerships	-	-	453,835	453,835
	$ -	$ -	$ 543,130	$ 543,130

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 543,130	$ 294,235
Addition	160,881	296,894
Recognized in other comprehensive income (included in unrealized gain/loss on financial assets at financial assets at FVTOCI)	(27,978)	(31,338)
Foreign exchange gains and losses	(23,153)	(16,661)
Balance at December 31	$ 652,880	$ 543,130

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

The fair value of unlisted equity securities in the ROC was estimated using the market approach and based on the recent net equity. In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments.

The fair value of limited partnerships was estimated based on the recent net equity.

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 349,801	$ 324,380
Financial asset at amortized cost (i)	219,425,827	175,828,822
Financial assets at FVTOCI		
Equity instruments	652,880	543,130
Financial liabilities		
Financial liabilities measured at amortized cost (ii)	85,117,709	90,437,773

(i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and refundable deposits.

(ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, notes and trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 34.

Sensitivity analysis

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

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

	USD Impact	
	For the Year Ended December 31	
	2020	2019
Profit or loss	$ 970,578	$ 710,893

	RMB Impact	
	For the Year Ended December 31	
	2020	2019
Profit or loss	$ 58,459	$ (2,532)

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

The Group's sensitivity to the USD and RMB increased during the current period mainly due to the increase 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 Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	$ 166,938,821	$ 128,317,651
Financial liabilities	160,509	4,618,753
Cash flow interest rate risk		
Financial assets	34,838,700	23,233,337
Financial liabilities	70,465,726	65,894,246

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2020 and 2019 would have decreased/increased by NT$35,627 thousand and NT$42,661 thousand, respectively; the change would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings of cash flow.

The Group's sensitivity to interest rates decreased during the current period mainly due to the increase in variable rate financial assets.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by NT$3,498 thousand and NT$3,244 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 Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to the failure of a counterparty to discharge an obligation, could at most amount to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

Information on credit risk concentration as of December 31, 2020 and 2019 was as follows:

	December 31			
	2020		2019	
	Amount	%	Amount	%
Customer A	$6,742,116	39	$7,090,152	30
Customer B	3,539,126	20	10,378,389	44
Customer C	3,501,534	20	3,052,927	13

3) Liquidity risk

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

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

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

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

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

December 31, 2020

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$10,897,975	$3,732,331	$ 21,677	$ -
Lease liabilities	3,445	15,185	25,363	132,023
Variable interest rate liabilities	47,104,357	23,496,032	-	-
	$58,005,777	$27,243,548	$ 47,040	$ 132,023

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 18,630	$ 25,363	$ 22,918	$ 22,918	$ 44,935	$ 41,252

December 31, 2019

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$13,163,238	$6,902,569	$ 19,736	$ -
Lease liabilities	1,250	29,335	23,296	121,382
Variable interest rate liabilities	37,286,457	28,755,566	-	-
Fixed interest rate liabilities	1,534,631	2,980,281	-	-
	$51,985,576	$38,667,751	$ 43,032	$ 121,382

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 30,585	$ 23,296	$ 22,478	$ 22,478	$ 22,478	$ 53,948

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	
	2020	2019
Unsecured bank loan facilities		
Amount used	$ 70,475,726	$ 70,380,746
Amount unused	17,427,286	27,032,198
	$ 87,903,012	$ 97,412,944

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Compensation of key management personnel

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 343,108	$ 99,096
Post-employment benefits	29,943	35,371
	$ 373,051	$ 134,467

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

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2020 and 2019 were as follows:

Unrecognized commitments are as follows:

	December 31	
	2020	2019
Acquisition of property, plant and equipment	$ 369,672	$ 725,970
Acquisition of inventories	$ 47,947	$ 102,298

33. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, some of the Group's subsidiaries located in China have temporarily suspended operations. However, those operating locations gradually returned to operation, starting from February 10, 2020. Besides, the Government of China has reduced the collection of endowment insurance by half for 3 months. The Group's operation condition for the year ended December 31, 2020 was similar to that during the previous year. Therefore, the pandemic did not cause material impact on the Group.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the economic impact of the COVID-19 pandemic on the Group.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,794,953	28.43 (USD:NTD)	$ 79,460,520
USD	835,310	6.5249 (USD:RMB)	23,789,637
USD	8,980	1.3221 (USD:SGD)	255,970
RMB	229,568	4.3520 (RMB:NTD)	999,079

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
RMB	$ 1,136,042	0.1533 (RMB:USD)	$ 4,959,942
Financial liabilities			
Monetary items			
USD	114,615	28.53 (USD:NTD)	3,269,980
USD	111,600	6.5249 (USD:RMB)	3,178,369
RMB	25,703	4.4020 (RMB:NTD)	113,145

(Concluded)

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,099,273	29.93 (USD:NTD)	$ 62,831,230
USD	1,146,454	6.9762 (USD:RMB)	34,370,706
Financial liabilities			
Monetary items			
USD	206,996	30.03 (USD:NTD)	6,216,085
USD	663,662	6.9762 (USD:RMB)	19,896,590
RMB	58,472	4.330 (RMB:NTD)	253,182

The Group is mainly exposed to the USD. The following information is an aggregation of the functional currencies of the entities in the Group and disclosures of the exchange rates between the respective functional currencies and the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2020		2019	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.549(USD:NTD)	$ 34,618	30.912(USD:NTD)	$ (56,269)
NTD	1(NTD:NTD)	(3,634,704)	1(NTD:NTD)	(1,026,836)
RMB	4.2837(RMB:NTD)	(2,020,747)	4.4837(RMB:NTD)	319,223
SGD	21.43(SGD:NTD)	(4,683)	22.66(SGD:NTD)	-
		$ (5,625,516)		$ (763,882)

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisitions of individual real estate at cost of at least NT$300 million or 20% of the paid-in capital (Table 5)

6) Disposals of individual real estate at a price of at least NT$300 million or 20% of the paid-in capital (N/A)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (N/A)

10) Intercompany relationships and significant intercompany transactions (Table 10)

b. Information on investees (Table 8)

c. Information on investments in mainland China

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

area (Table 9)

2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 6, 7 and 10):

a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) Property transactions - the amount of property transactions and the amount of the resultant gains or losses

d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders：List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (N/A)

36. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group’s chief operating decision maker reviews operating results and financial information on a plant by plant basis with a focus on the operating results of each plant. As each plant shares similar economic characteristics, produces similar products using similar production process and all products are distributed and sold to same-level customers through a central sales function, the Group’s operating segments are aggregated into a single reportable segment. The Group’s chief operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income for the years ended December 31, 2020 and 2019 and information on assets is referenced from the consolidated balance sheets as of December 31, 2020 and 2019.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group’s revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2020	2019
China	$ 30,775,098	$ 29,347,640
United States	45,875,935	56,713,789
Taiwan	1,102,480	932,226
Singapore	4,751,146	4,619,095
Others	1,373	15,365
	$ 82,506,032	$ 91,628,115

	Non-current Assets	
	December 31, 2020	December 31, 2019
Taiwan	$ 7,663,446	$ 8,054,949
China	16,765,883	36,224,719
	$ 24,429,329	$ 44,279,668

Non-current assets excluded those classified as investments accounted for using the equity method, financial instruments and deferred tax assets.

b. Information about major customers

Single customers who contributed 10% or more to the Group’s revenue were as follows:

	For the Year Ended December 31	
	2020	2019
Customer A	$ 45,791,405	$ 56,690,715
Customer B	17,006,380	16,620,114
Customer C	9,985,587	8,360,659
	$ 72,783,372	$ 81,671,488

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	Topo Technology (Suzhou) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	$ 131,496	$ -	$ -	1.5	For short-term financing	$ -	Operating capital	$ -	-	$ -	$789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	767,060	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										
2	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	284,908	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	730,745	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										
3	Catcher Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	429,710	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,361,610	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	3,462,728	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	3,604,440	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	3,199,736	938,432	938,432	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 938,432										
4	Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,394,920	$ 2,394,920	2,394,920	0.76604 ~ 1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
5	Envio Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	613,648	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,811,392	1,811,392	1,811,392	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 1,811,392										
6	Cygnus International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	3,025,000	$ -	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
7	Gigamag Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	11,192,500	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
8	Next Level Ltd.	Norma International Co., Ltd.	Other receivables - related parties	Yes	605,000	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co.,	Other receivables -	Yes	3,630,000	-	-	-	For short-	-	Operating	-	-	-	789,875,325	

		Ltd.	related parties						term financing		capital					
		Uranus International Co., Ltd.	Other receivables - related parties	Yes	7,562,500	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										

(Continued)

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		
9	Norma International Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	$ 605,000	$ -	$ -	2.267	For short-term financing	$ -	Operating capital	$ -	-	$ -	$789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	605,000	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,722,500	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	589,800	569,600	569,600	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 569,600										
10	Uranus International Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	4,537,500	$ -	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	6,050,000	-	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Lyra International Co., Ltd.	Other receivables - related parties	Yes	142,400	142,400	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	2,359,200	2,278,400	2,278,400	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 2,420,800										
11	Ke Yue Co., Ltd.	Catcher Technology Co., Ltd.	Other receivables - related parties	Yes	600,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	447,909	$ 447,909
12	Yi Sheng Co., Ltd.	Catcher Technology Co., Ltd	Other receivables - related parties	Yes	163,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	119,423	$ 119,423
13	Yi De Co., Ltd.	Catcher Technology Co., Ltd	Other receivables - related parties	Yes	163,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	119,423	$ 119,423

(Concluded)

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value as of December 31, 2020 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2020 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value as of December 31, 2020 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2020 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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	$ 78,987,532	10,000	$ 10,000	$ 10,000	$ -	0.01	$157,975,065	N	N	N
1	Topo Technology (Taizhou) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Business relation	78,987,532	43,796	$ 43,648	$ 43,648	$ -	0.03	$157,975,065	N	N	Y
2	Meeca Technology (Taizhou) Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Business relation	78,987,532	85,970	$ 43,648	$ 43,648	$ -	0.03	$157,975,065	N	N	Y
3	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	78,987,532	21,898	$ 21,824	$ 21,824	$ -	0.01	$157,975,065	N	N	Y
4	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	78,987,532	27,081	$ 21,824	$ 21,824	$ -	0.01	$157,975,065	N	N	Y
5	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	78,987,532	25,361	$ 7,420	$ 7,420	$ -	-	$157,975,065	N	N	Y
6	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	78,987,532	13,139	$ 13,094	$ 13,094	$ -	0.01	$157,975,065	N	N	Y
7	Aquila Technology (Suqian) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Business relation	78,987,532	8,730	$ 8,730	$ 8,730	$ -	-	$157,975,065	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, 2020.

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, 2020.

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., Ltd.	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	$ 53,880	10	$ 53,880	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	30,300	3.57	30,300	
					$ 84,180		$ 84,180	
	Sinher Technology Co., Ltd.	None	Financial assets at FVTPL - current	7,439,917	$ 348,932	9.998	$ 348,932	
Ke Yue Co., Ltd.	Qisda Corporation	None	Financial assets at FVTPL - current	30,000	$ 869	0.002	$ 869	
Nanomag International Co., Ltd.	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	$ 568,700	23.51	$ 568,700	Note 3

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

Note 2: Refer to Tables 8 and 9 for information on subsidiaries and associates.

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

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Lyra International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Investments accounted for using the equity method	Lens International (HK) Ltd.	Investing activities	-	$ 8,826,869 (USD 294,425,255)	-	$ 255,543 (USD 21,528,706) (Note 1)	-	$ - (Note 3)	$ 9,082,412 (USD 315,953,961)	$ - (Note 4)	-	$ -
	Meeca Technology (Taizhou) Co., Ltd.	Investments accounted for using the equity method	Lens International (HK) Ltd.	Investing activities	-	6,630,643 (USD 221,168,895)	-	(1,384,438) （(USD 38,666,804)） (Note 2)	-	- (Note 3)	5,246,205 (USD 182,502,091)	- (Note 4)	-	-

Note 1: Including the share of loss of subsidiaries accounted for using the equity method of US$4,594,617, capital surplus - changes in ownership interests in subsidiaries of US$10,261,943, foreign exchange gains on translating foreign operations of US$23,058,998 and repatriation of earnings of US$7,197,618.

Note 2: Including the share of loss of subsidiaries accounted for using the equity method of US$51,955,015, capital surplus - changes in ownership interests in subsidiaries of US$2,237,842, foreign exchange gains on translating foreign operations of US$16,001,278 and repatriation of earnings of US$4,950,909.

Note 3: Total equity sale price is $41,029,007 thousand (US$1,427,294,484).

Note 4: Gain on disposal includes reclassification of other comprehensive income in respect of subsidiaries and related expenses and tax. Total gain on disposal is $25,951,192 thousand (US$902,775,776).

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/ Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Envio Technology (Suqian) Co., Ltd.	Manufacturing plant	2017.08.18-2020.12.31	Contract price is NT$755,616 thousand (RMB 173,116 thousand); NT$744,282 thousand has been put into construction	In accordance with rules of contracts and progress	Self-built assets (The main contractor is Zhongxing Construction Co., Ltd.)	-	-	-	-	$ -	Price comparison or negotiation	Operating production	-

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, 2020
(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	$ (1,480,547)	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	$ 1,230,121	11	
			Purchases	818,830	24	Net 30 to 90 days after month end close	Equivalent	Equivalent	(703,167)	23	
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	113,656	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(65,849)	2	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(348,904)	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	266,289	2	
			Purchases	113,090	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(48,347)	2	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	221,242	6	Net 120 days after month end close	Equivalent	Equivalent	(108,432)	4	
Topo Technology (Taizhou) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	363,222	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	120,589	1	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchase	236,157	2	Net 120 days after month end close	Equivalent	Equivalent	-	-	Note
	Meeca Technology (Taizhou) Co., Ltd.	Same ultimate parent company	Sales	(218,366)	1	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
			Purchases	688,589	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Next Level Ltd.	Same ultimate parent company	Sales	(19,078,703)	14	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	Note
Vito Technology (Suqian) Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(322,147)	2	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	77,553	-	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	172,927	4	Net 120 days after month end close	Equivalent	Equivalent	(79,576)	3	
	Meeca Technology (Taizhou) Co., Ltd.	Same ultimate parent company	Sales	(265,570)	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
			Purchases	479,633	10	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	130,474	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(90,330)	3	
	Next Level Ltd.	Same ultimate parent company	Sales	(4,046,593)	4	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	1,448,602	23	
Meeca Technology (Taizhou) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	135,053	-	Net 120 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	134,987	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Next Level Ltd.	Same ultimate parent company	Sales	(12,198,038)	13	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	Note
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(9,351,351)	14	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	2,422,407	98	
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(44,676,624)	100	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	2,676,475	100	
Lyra International Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Purchases	3,479,296	100	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	(3,479,296)	100	

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

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(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	814,346	- (Note 3)	-	Not applicable	$ 197,216	-
			1,230,121	1.67	-	Not applicable	391,650	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	938,432	- (Note 1)	-	Not applicable	-	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	266,289	1.30	-	Not applicable	80,412	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	200,360	- (Note 3)	-	Not applicable	49,900	-
			703,167	2.07	-	Not applicable	218,533	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	108,130	- (Note 3)	-	Not applicable	41,899	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	242,459	- (Note 3)	-	Not applicable	81,195	-
	Next Level Ltd.	Same ultimate parent company	1,448,602	2.41	-	Not applicable	15,482	-
Envio Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,811,392	- (Note 1)	-	Not applicable	-	-
	Next Level Ltd.	Same ultimate parent company	2,422,407	5.50	-	Not applicable	894,999	-
Aquila Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	108,432	1.99	-	Not applicable	7,740	-
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	2,676,475	11.25	-	Not applicable	2,676,475	-
Catcher Technology Co., Ltd.	Lyra International Co., Ltd.	Subsidiary	3,479,296	2.00	-	Not applicable	-	-
Norma International Co., Ltd.	Cygnus International Co., Ltd.	Same ultimate parent company	569,600	- (Note 1)	-	Not applicable	-	-
Uranus International Co., Ltd.	Cygnus International Co., Ltd.	Same ultimate parent company	2,278,400	- (Note 1)	-	Not applicable	-	-

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

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2020	December 31, 2019	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	$ 1,091,353	$ 1,127,452	$ 1,321,844	
	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	143,762,628	29,050,679	26,961,614	
	Yue-Kang Health Control Technology Inc.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Health and medical treatment consultant	72,000	72,000	7,200,000	45	11,583	(1,582)	(712)	
	Ke Yue Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	1,129,000	1,129,000	11,290,000	100	1,119,774	(10,053)	(10,053)	
	Yi Sheng Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	298,000	298,000	3,070,000	100	298,558	335	335	
	Yi De Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	298,000	298,000	3,070,000	100	298,558	335	335	
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	285 (USD 10,000)	285 (USD 10,000)	10,000	100	249	3		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,753 (USD 1,009,592)	28,753 (USD 1,009,592)	1,009,592	100	3,253,478	(166,613)		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,457,614 (USD 332,079,144)	9,457,614 (USD 332,079,144)	332,079,144	100	38,798,657	21,115,446		
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	31,898 (USD 1,120,000)	31,898 (USD 1,120,000)	1,050,000	75	289,612	144,994		
	Uranus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,363,787 (USD 399,009,383)	11,363,787 (USD 399,009,383)	399,009,383	100	36,752,713	9,087,937		
	Norma International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,530,720 (USD 299,533,691)	8,530,720 (USD 299,533,691)	299,533,691	100	8,079,048	(453,938)		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	285 (USD 10,000)	285 (USD 10,000)	10,000	100	147,937	86,470		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	261,266 (SGD 12,118,100)	-	12,118,100	100	256,294	(4,924)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	284,950 (USD 10,005,259)	284,950 (USD 10,005,259)	10,005,259	100	2,974,947	(171,506)		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	9,456,881 (USD 332,053,412)	9,456,881 (USD 332,053,412)	332,053,412	100	39,108,169	21,113,531		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,872 (USD 1,400,000)	39,872 (USD 1,400,000)	1,400,000	100	385,464	145,205		

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

Note 2: Information on investments in mainland China is provided in Table 9.

TABLE 9

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (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, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	$ -	2. Cygnus International Co., Ltd. (Note 8)	$ 949,523 (USD 33,340,000)	$ -	$ -	$ 949,523 (USD 33,340,000)	$ -	100	$ -	$ -	$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	285,085 (USD 10,010,000)	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,148,883 (USD 40,340,000)	-	-	1,148,883 (USD 40,340,000)	(99,948)	100	(99,948) (Note 2.(A))	1,052,638	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,500,908 (RMB 829,779,072) (USD 65,979,240)	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	(94,822)	100	(94,822) (Note 2.(A))	-	5,482,243
Meeca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,680,702 (RMB 814,650,196) (USD 74,610,861)	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	(1,458,058)	100	(1,458,058) (Note 2.(A))	-	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	284,800 (USD 10,000,000)	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	(138,069)	100	(138,069) (Note 2.(A))	1,010,791	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,696,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,705,572 (USD 94,999,000)	-	-	2,705,572 (USD 94,999,000)	6,533,512	100	6,533,512 (Note 2.(A))	16,796,518	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,554,990 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	3,220,946	100	3,220,946 (Note 2.(A))	13,214,437	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,692,494 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	(1,957,379)	100	(1,957,379) (Note 2.(A))	2,083,373	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	2,847,124 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	1,485,088	100	1,485,088 (Note 2.(A))	5,448,564	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	39,872 (USD 1,400,000)	2. Cepheus International Co., Ltd.	31,898 (USD 1,120,000)	-	-	31,898 (USD 1,120,000)	174,835	75	131,126 (Note 2.(A))	384,639	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	70	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	628,893 (USD 22,081,923)	-	-	628,893 (USD 22,081,923)	-	46	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018 (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)
$ 5,464,769 (USD 191,880,923)	$ 40,703,018 (USD 1,024,374,988) (RMB 2,641,316,560)	$ 94,842,961

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 $158,071,602×60%=$94,842,961.

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.

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 Meeca 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.

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 Meeca 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 Meeca 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 Meeca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Meeca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd.

Note 13: The exchange rate on December 31, 2020 was US$1:NT$28.48.
The exchange rate on December 31, 2020 was RMB1:NT$4.3648.

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$71,010,000 and RMB$ 188,956,820, which is the proceeds arising from returned capital of the liquidation from Catcher Technology (Suzhou) Co., Ltd. and the returned capital reduction from Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd., is invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% of Total Sales Or Assets
0	Catcher Technology Co., Ltd.	Next Level Ltd.	1	Purchases	$ 44,676,624	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	54.15
				Sales	98,343	The sales prices have no comparison with those from third parties, net 30 to 120 days after month end close.	0.12
				Payables to related parties	2,676,475		1.05
				Receivables from related parties	83,914		0.03
		Lyra International Co., Ltd.	1	Sales	3,479,296	The sales prices have no comparison with those from third parties, net 30 to 120 days after month end close.	4.22
				Receivables from related parties	3,479,296		1.36
		Catcher Technology (Suqian) Co., Ltd.	1	Other receivables from related parties	53,813		0.02
		Vito Technology (Suqian) Co., Ltd.	1	Purchases	322,147	The purchase prices have no comparison with those from third parties, net 30 to 120 days after month end close.	0.39
				Purchases of property, plant and equipment	68,353	The purchase prices were negotiated, net 120 days after month end close.	0.08
				Payables to related parties	77,553		0.03
				Other payables to related parties	70,686		0.03
		Arcadia Technology (Suqian) Co., Ltd.	1	Purchases of property, plant and equipment	88,385	The purchase prices were negotiated, net 120 days after month end close.	0.11
1	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	3	Purchases	818,830	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.99
				Processing expense	256,348	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.31
				Sales	1,480,547	The sales prices were not different from third parties, net 30 to 90 days after month end close.	1.79
				Processing income	987,429	The sales prices were not different from third parties, net 30 to 90 days after month end close.	1.20
				Payables to related parties	703,167		0.27
				Other payables to related parties	200,360		0.08
				Receivables from related parties	1,230,121		0.48
				Other receivables from related parities	814,346		0.32
		Topo Technology (Taizhou) Co., Ltd.	3	Sales of property, plant and equipment	87,707	The purchase prices were negotiated, net 120 days after month end close.	0.11
		Meeca Technology (Taizhou) Co., Ltd.	3	Processing income	90,182	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.11
				Sales of property, plant and equipment	544,713	The sales prices were negotiated, net 120 days after month end close.	0.66
		Arcadia Technology (Suqian) Co., Ltd.	3	Purchases	113,656	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.14
				Processing expense	94,939	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.12
				Processing income	70,000	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.08
				Payables to related parties	65,849		0.03
				Other payables to related parties	65,614		0.03
				Other receivables from related parities	56,927		0.02
				Other receivables from related parties	938,432		0.37
		Envio Technology (Suqian) Co., Ltd.	3	Sales	348,904	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.42
				Purchases	113,090	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.14
				Receivables from related parties	266,289		0.10
		Aquila Technology (Suqian) Co., Ltd.	3	Purchases	221,242	The purchase prices were not different from third parties, net 120 days after month end close.	0.27
				Payables to related parties	108,432		0.04

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales Or Assets
2	Aquila Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	3	Sales	$ 172,927	The sales prices were not different from third parties, net 120 days after month end close.	0.21
				Receivables from related parties	79,576		0.03
		Meeca Technology (Taizhou) Co., Ltd.	3	Sales	135,053	The sales prices were not different from third parties, net 120 days after month end close.	0.16
		Topo Technology (Taizhou) Co., Ltd.	3	Sales	236,157	The sales prices were not different from third parties, net 120 days after month end close.	0.29
3	Topo Technology (Taizhou) Co., Ltd.	Next Level Ltd.	3	Sales	19,078,703	The sales prices have no comparison with those from third parties, net 30 to 90 days after month end close.	23.12
				Purchases	87,847	The purchases prices were not different from third parties, net 30 to 90 days after month end close.	0.11
		Vito Technology (Suqian) Co., Ltd.	3	Purchases	363,222	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.44
				Sales of property, plant and equipment	72,467	The sales prices were negotiated, net 120 days after month end close	0.09
				Purchases of property, plant and equipment	263,928	The purchase prices were negotiated, net 120 days after month end close	0.32
		Meeca Technology (Taizhou) Co., Ltd.	3	Purchases	688,589	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.83
				Sales	218,366	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.26
				Processing income	580,094	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.70
				Sales of property, plant and equipment	1,284,221	The sales prices were negotiated, net 120 days after month end close.	1.56
				Purchases of property, plant and equipment	258,632	The purchase prices were negotiated, net 120 days after month end close.	0.31
		Arcadia Technology (Suqian) Co., Ltd.	3	Purchases	120,589	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.15
				Sales of property plant and equipment	57,662	The sales prices were negotiated, net 120 days after month end close	0.07
				Purchases of property, plant and equipment	115,085	The purchase prices were negotiated, net 120 days after month end close.	0.14
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Processing expense	52,662	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.06
4	Vito Technology (Suqian) Co., Ltd.	Next Level Ltd.	3	Sales	4,046,593	The sales prices have no comparison with those from third parties, net 30 to 90 days after month end close.	4.90
				Receivables from related parties	1,448,602		0.57
		Meeca Technology (Taizhou) Co., Ltd.	3	Purchases	479,633	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.58
				Sales	265,570	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.32
				Processing income	173,969	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.21
				Sales of property, plant and equipment	839,803	The sales prices were negotiated, net 120 days after month end close.	1.02
				Purchases of property, plant and equipment	107,782	The purchase prices were negotiated, net 120 days after month end close.	0.13
		Arcadia Technology (Suqian) Co., Ltd.	3	Processing income	199,986	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.24
				Purchases	130,474	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.16
				Other receivables from related parities	108,130		0.04
				Other payables to related parities	90,330		0.04
		Envio Technology (Suqian) Co., Ltd.	3	Sales	71,064	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.09
				Processing income	407,892	The sales prices were not different from third parties, net 30 to 90 days after month end close.	0.49
				Receivables from related parties	53,755		0.02
				Other receivables from related parities	242,459		0.09
5	Meeca Technology (Taizhou) Co., Ltd.	Next Level Ltd.	3	Sales	12,198,038	The sales prices have no comparison with those from third parties, net 30 to 90 days after month end close.	14.78
		Arcadia Technology (Suqian) Co., Ltd.	3	Purchases	134,987	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.16
				Processing expense	289,922	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.35
				Purchases of property, plant and equipment	608,635	The purchase prices were negotiated, net 120 days after month end close.	0.74

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales Or Assets
6	Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	3	Sales	$ 9,351,351	The sales prices have no comparison with those from third parties, net 30 to 90 days after month end close.	11.33
				Receivables from related parties	2,422,407		0.95
		Arcadia Technology (Suqian) Co., Ltd.	3	Processing expense	76,393	The purchase prices were not different from third parties, net 30 to 90 days after month end close.	0.09
				Other receivables from related parities	1,811,392		0.71
7	Norma International Co., Ltd.	Cygnus International Co., Ltd.	3	Other receivables from related parities	569,600		0.22
8	Uranus International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	3	Interest income	67,804		0.08
		Cygnus International Co., Ltd.	3	Other receivables from related parities	2,278,400		0.89

(Concluded)

Note 1: No. 1 Represents transactions from parent company to subsidiaries.
No. 2 Represents transactions from subsidiaries to parent company.
No. 3 Represents transactions among subsidiaries.

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Miscellaneous Equipment	Leasehold Improvement	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2019	$ 2,179,324	$ 24,625,849	$ 74,657,204	$ 184,501	$ 2,803,950	$ 4,086,179	$ 277	$ 783,392	$ 109,320,676
Additions	-	334,872	676,378	19,862	39,584	1,188,478	-	391,142	2,650,316
Disposals	-	(15,724)	(101,004)	(3,156)	(7,009)	(214,060)	-	-	(340,953)
Reclassification	-	897,123	1,969,857	3,575	3,559	72,266	-	(902,783)	2,043,597
Effect of foreign currency exchange differences	-	(915,279)	(2,657,340)	(5,953)	(100,093)	(177,326)	(11)	(6,974)	(3,862,976)
Balance at December 31, 2019	$ 2,179,324	24,926,841	74,545,095	198,829	2,739,991	4,955,537	266	264,777	109,810,660
Accumulated depreciation and impairment									
Balance at January 1, 2019	$ -	$ 6,793,732	$ 48,193,228	$ 108,677	$ 1,633,737	$ 2,326,760	$ 143	$ -	$ 59,056,277
Depreciation	-	1,596,111	8,930,853	27,268	439,407	957,614	55	-	11,951,308
Disposals	-	(3,601)	(95,015)	(2,533)	(6,515)	(213,928)	-	-	(321,592)
Effect of foreign currency exchange differences	-	(315,821)	(1,693,839)	(3,379)	(67,992)	(90,809)	(7)	-	(2,171,847)
Balance at December 31, 2019	$ -	$ 8,070,421	$ 55,335,227	$ 130,033	$ 1,998,637	$ 2,979,637	$ 191	$ -	$ 68,514,146
Carrying amounts at December 31, 2019	$ 2,179,324	$ 16,856,420	$ 19,209,868	$ 68,796	$ 741,354	$ 1,975,900	$ 75	$ 264,777	$ 41,296,514
Cost									
Balance at January 1, 2020	$ 2,179,324	$ 24,926,841	$ 74,545,095	$ 198,829	$ 2,739,991	$ 4,955,537	$ 266	$ 264,777	$ 109,810,660
Additions	-	29,942	179,483	2,171	37,717	627,349	-	61,596	938,258
Disposals	-	(1,430)	(604,204)	(6,383)	(4,302)	(271,047)	-	-	(887,366)
Reclassification	-	179,221	662,950	-	7,254	21,420	-	(193,171)	677,674
Disposals of subsidiaries	-	(6,600,326)	(22,430,224)	(40,039)	(614,013)	(1,798,222)	-	(126)	(31,482,950)
Effect of foreign currency exchange differences	-	410,144	1,832,776	2,536	41,221	80,744	5	(338)	2,367,088
Balance at December 31, 2020	$ 2,179,324	$ 18,944,392	$ 54,185,876	$ 157,114	$ 2,207,868	$ 3,615,781	$ 271	$ 132,738	$ 81,423,364
Accumulated depreciation and impairment									
Balance at January 1, 2020	$ -	$ 8,070,421	$ 55,335,227	$ 130,033	$ 1,998,637	$ 2,979,637	$ 191	$ -	$ 68,514,146
Depreciation	-	1,482,054	5,858,281	26,143	361,520	893,181	52	-	8,621,231
Disposals	-	(510)	(600,662)	(6,383)	(4,257)	(270,762)	-	-	(882,574)
Disposals of subsidiaries	-	(2,009,635)	(16,071,029)	(25,364)	(406,183)	(730,982)	-	-	(19,243,193)
Effect of foreign currency exchange differences	-	163,752	1,599,096	1,855	32,773	48,567	5	-	1,846,048
Balance at December 31, 2020	$ -	$ 7,706,082	$ 46,120,913	$ 126,284	$ 1,982,490	$ 2,919,641	$ 248	$ -	$ 58,855,658
Carrying amounts at December 31, 2020	$ 2,179,324	$ 11,238,310	$ 8,064,963	$ 30,830	$ 225,378	$ 696,140	$ 23	$ 132,738	$ 22,567,706

Appendix 2 、Financial Statements audited by accountant during the most recent fiscal year

Catcher Technology Co., Ltd.

Financial Statements for the
Years Ended December 31, 2020 and 2019 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, 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)

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

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)	54,807,851	95	60,787,054	94
GROSS PROFIT	2,885,372	5	3,673,706	6
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	551,860	1	667,318	1
Total operating expenses	1,127,396	2	1,178,946	2
PROFIT FROM OPERATIONS	1,757,976	3	2,494,760	4
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	28,273,363	49	9,795,856	15
Total non-operating income and expenses	26,220,367	46	10,100,348	15
PROFIT BEFORE INCOME TAX	27,978,343	49	12,595,108	19
INCOME TAX EXPENSE (Notes 4 and 25)	6,848,523	12	1,322,984	2
NET PROFIT	21,129,820	37	11,272,124	17
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)	-
	(27,978)	-	(31,338)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(2,177,826)	(4)	(4,746,852)	(7)
Other comprehensive loss for the year, net of income tax	(2,205,804)	(4)	(4,778,190)	(7)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$18,924,016	33	$ 6,493,934	10
EARNINGS PER SHARE (Note 26)				
Basic	$ 27.65		$ 14.63	
Diluted	$ 27.42		$ 14.53	

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

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

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

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury shares	Total Equity
BALANCE AT JANUARY 1, 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)
Cancelation 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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	32,011,118	(14,870,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
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	855,180	1,921,710
Net cash generated from (used in) investing activities	(11,612,468)	24,478,530
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	302,129,287	292,578,216
Repayments of short-term borrowings	(297,557,807)	(291,421,970)
Proceeds from guarantee deposits received	3,260	1,120
Refunds of guarantee deposits received	(1,520)	(5,195)
Increase in other payables to related parties	694,000	926,000
Decrease in other payables to related parties	(1,620,000)	(958,830)
Repayment of the principal portion of lease liabilities	(52,990)	(8,587)
Cash dividends paid	(7,616,181)	(9,244,692)
Payments for buy-back of ordinary shares	(1,796,390)	-
Interest paid	(463,493)	(419,511)
Net cash used in financing activities	(6,281,834)	(8,553,449)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,116,816	1,054,176
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,553,816	12,499,640
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$27,670,632	$13,553,816

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

(Concluded)

(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 parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were published after being approved by the Company's board of directors on March 10, 2021.

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 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

a) Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

b) The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

c) Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for assets or liabilities.

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Foreign currencies

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

e. Inventories

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

f. Investment accounted for using 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 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 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.

The Company uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the 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 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.

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 also 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, 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 and intangible assets, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, investments in debt instruments, accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

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

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

m. Leases

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

1) The Company as lessor

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

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

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

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

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

2) The Company as lessee

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

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

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

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

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

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

n. Borrowing costs

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

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

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

a. Write-down of inventories

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

b. Income taxes

As of December 31, 2020 and 2019, for the purpose of expanding the Company's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2020 will be used for permanent investment; the proposal was approved by the board of directors on March 10, 2021. Therefore, no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings. If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. Due to the government's implementation of The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Company evaluated the optimizaiton of its working capital and tax planning. The board of directors Gigamag Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on July 28, 2020, which has been approved by the government. Remaining unappropriate retained earnings of other overseas subsidiaries will still be used for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	$ 401	$ 390
Deposits in banks	503,492	4,815,504
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	26,703,963	8,329,981
Repurchase agreements	462,776	407,941
	$ 27,670,632	$ 13,553,816

The range of interest rates of time deposits and repurchase agreements was as follows:

	December 31	
	2020	2019
Time deposits	0.33%-2.81%	2.2%-2.5%
Repurchase agreements	1.05%-1.1%	2.8%-2.9%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic quoted shares	$ 348,932	$ 324,380

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

Investments in equity instruments

	December 31	
	2020	2019
Non-current		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	$ 53,880	$ 57,075
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	30,300	32,220
	$ 84,180	$ 89,295

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	
	2020	2019
Current		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	$ 21,518,715	$ 34,791,029
Repurchase agreements (a)	-	68,257
	$ 21,518,715	$ 34,859,286
Non-current		
Domestic investments		
Restricted bank deposit (b)	$ 24,321,980	$ -
Time deposits with original maturity of more than 1 year (a)	261,556	-
Refundable deposits	1,016	994
	$ 24,584,552	$ 994

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

	December 31	
	2020	2019
Time deposits	0.31% ~ 1%	0.66% ~ 2.8%
Repurchase agreements	-	2.9%

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

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 21	$ -
Notes receivable - operating	$ 21	$ -
Trade receivables		
At amortized cost		
Gross carrying amount	$ 6,560,748	$ 14,033,457
Less: Allowance for impairment loss	(8,438)	(8,438)
	$ 6,552,310	$ 14,025,019
Other receivables	$ 194,851	$ 257,708

a. Notes receivable

The Company analyzed the notes receivable that were not past due based on the past due status, and the Company did not recognize an allowance for loss on notes receivable as of December 31, 2020 and 2019.

b. Trade receivables

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

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

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

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

December 31, 2020

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

December 31, 2019

	Not Past Due	Less than 60 Days	61 ~ 180 Days	Over 180 Days	Total
Expected credit loss rate	0%~0.06%	0.10%~2.00%	4.17%~9.67%	100%	
Gross carrying amount	$14,014,999	$ 18,377	$ 9	$ 72	$14,033,457
Loss allowance (Lifetime ECLs)	(8,355)	(11)	-	(72)	(8,438)
Amortized cost	$14,006,644	$ 18,366	$ 9	$ -	$14,025,019

There is no movements of the loss allowance of trade receivables in 2020 and 2019.

c. Other receivables

The Company analyzed other receivables that were not past due based on the past due status, and the Company did not recognize an allowance for loss on other receivables as of December 31, 2020 and 2019.

11. INVENTORIES

	December 31 2020	December 31 2019
Merchandise	$ 44,250	$ 18,255
Finished goods	1,624,250	5,293,039
Work-in-process and semi-finished goods	614,866	581,134
Raw materials and supplies	107,100	181,847
	$ 2,390,466	$ 6,074,275

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

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Cost of inventories sold	$ 54,847,371	$ 60,776,546
Inventory write-downs	-	5,898
Others	(39,520)	4,610

	$ 54,807,851	$ 60,787,054

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	$ 146,570,871	$ 148,245,729
Investments in associates	11,583	12,295
	$ 146,582,454	$ 148,258,024

a. Investments in subsidiaries

	December 31	
	2020	2019
Unlisted Shares		
Gigamag Co., Ltd.	$ 1,091,353	$ 29,159,305
Nanomag International Co., Ltd.	143,762,628	117,348,698
Ku Yue Co., Ltd.	1,119,774	1,137,264
Yi Sheng Co., Ltd.	298,558	300,231
Yi De Co., Ltd.	298,558	300,231
	$ 146,570,871	$ 148,245,729

	Proportion of Ownership and Voting Rights	
	December 31, 2020	December 31, 2019
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%

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, 2020 and 2019 was based on the subsidiaries' financial statements which have been audited for the same years.

The board of directors resolved to dispose of 100% of the shares of Topo Technology (Taizhou) Co., Ltd. and Meeca Technology (Taizhou) Co., Ltd., which were both held by its subsidiary Lyra International Co., Ltd. on August 18, 2020. The settlement was completed in December 2020. The sales price was $41,029,007 thousand (US$1,427,294 thousand), and the gain on disposal of the subsidiaries was $25,951,192 thousand. Refer to Note 28 of the Company's consolidated financial statements for the year ended December 31, 2020.

b. Investments in associates

	December 31	
	2020	2019
Investments in associates		

	December 31	
	2020	2019
Associates that are not individually material	$ 11,583	$ 12,295

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

	December 31	
	2020	2019
The Company's share of:		
Net profit and total comprehensive income (loss) for the year	$ (712)	$ (9,730)

13. PROPERTY, PLANT AND EQUIPMENT

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

See Table 10 for the statements of changes in property, plant and equipment for the years ended December 31, 2020 and 2019.

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

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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amounts		
Land	$ 182,209	$ 148,812
Buildings	4,346	9,561
	$ 186,555	$ 158,373

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use asset	$ 40,056	$ -
Depreciation charge for right-of-use assets		
Land	$ 5,897	$ 4,300
Buildings	5,977	5,115
	$ 11,874	$ 9,415
Income from the subleasing of right-of-use assets (presented in operating revenue)	$ (2,225)	$ (2,176)

b. Lease liabilities

	December 31	
	2020	2019
Carrying amounts		
Current	$ 7,928	$ 26,681
Non-current	$ 135,932	$ 130,186

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
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	
	2020	2019
Year 1	$ 1,669	$ 1,673

e. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 428	$ 422
Total cash outflow for leases	$ 54,484	$ 10,008

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

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2019	$ 203,363	$ 158,485	$ 361,848
Additions	-	930	930
Balance at December 31, 2019	$ 203,363	$ 159,415	$ 362,778
Accumulated depreciation			
Balance at January 1, 2019	$ -	$ 127,687	$ 127,687
Depreciation	-	5,947	5,947
Balance at December 31, 2019	$ -	$ 133,634	$ 133,634
Carrying amounts at December 31, 2019	$ 203,363	$ 25,781	$ 229,144
Cost			
Balance at January 1, 2020	$ 203,363	$ 159,415	$ 362,778
Additions	-	4,907	4,907
Disposals	-	(9,446)	(9,446)
Balance at December 31, 2020	$ 203,363	$ 154,876	$ 358,239
Accumulated depreciation			
Balance at January 1, 2020	$ -	$ 133,634	$ 133,634
Depreciation	-	6,109	6,109
Disposals	-	(8,500)	(8,500)
Balance at December 31, 2020	$ -	$ 131,243	$ 131,243
Carrying amounts at December 31, 2020	$ 203,363	$ 23,633	$ 226,996

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

Main buildings	25 - 35 years
Elevators	15 years
Heat dissipation system	5 years

The fair value of the Company's investment properties was $768,833 thousand and $601,331 thousand as of December 31, 2020 and 2019, respectively. The fair value was determined based on the valuation methodology carried out by independent qualified professional appraisers of CCIS Real Estate Appraisers Firm, who are non-related party of the Company, on December 31, 2020 and December 24, 2018. The fair value of land was measured using the sales comparison approach, and the fair value of buildings was measured using the cost comparison approach. There is no material change in the fair value of the investment properties as of December 31, 2019 in comparison with that as of December 31, 2018.

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

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

	December 31	
	2020	2019
Year 1	$ 13,637	$ 5,400
Year 2	9,360	5,400
Year 3	7,560	1,800
Year 4	7,560	-
Year 5	7,560	-
Year 6 onwards	9,135	-
	$ 54,812	$ 12,600

16. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2019	$ 103,829
Additions	33,778
Balance at December 31, 2019	$ 137,607

(Continued)

	Computer Software
Accumulated amortization	
Balance at January 1, 2019	$ 50,418
Amortization expense	40,917
Balance at December 31, 2019	$ 91,335
Carrying amounts at December 31, 2019	$ 46,272
Cost	
Balance at January 1, 2020	$ 137,607
Additions	8,633
Balance at December 31, 2020	$ 146,240
Accumulated amortization	
Balance at January 1, 2020	$ 91,335
Amortization expense	44,043
Balance at December 31, 2020	$ 135,378
Carrying amounts at December 31, 2020	$ 10,862

(Concluded)

Computer software are amortized on a straight-line basis over 2-10 years estimated useful lives.

17. OTHER ASSETS

	December 31	
	2020	2019
Current		
Net Input VAT	$ 129,074	$ 1,500
Office supplies	57,468	53,836
Prepaid expenses	26,167	17,117
Prepayments to suppliers	6,085	12,425
Others	161	1,268
	$ 218,955	$ 86,146
Non-current		
Prepaid equipment	$ 71,223	$ 38,348
Others	900	2,168
	$ 72,123	$ 40,516

18. SHORT - TERM BORROWINGS

	December 31	
	2020	2019
Unsecured borrowings		
Bank unsecured loans	$ 70,465,726	$ 65,894,246

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

	December 31	
	2020	2019
Bank unsecured loans	0.59% ~ 0.87%	0.59% ~ 0.72%

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	
	2020	2019
Current		
Other payables		
Payables for employees' compensation	$ 3,149,338	$ 3,271,750
Payables for salaries and bonuses	457,986	430,770
Payables for office supplies	179,034	257,128
Payables for purchases of equipment	93,577	93,855
Payables for rework cost	90,364	90,364
Payables for annual leave	85,995	79,484
Payables for labor and health insurance	49,454	48,507
Payables for shipping expenses	45,485	15,994
Payables for technical services	33,197	716
Payables for professional service fees	30,838	212
Payables for utilities	30,358	28,499
Payables for pension	25,423	25,059
Remuneration of directors	15,523	16,444
Payables for interest	11,827	12,474
Others	118,686	86,037
	$ 4,417,085	$ 4,457,293

(Continued)

	December 31	
	2020	2019
Other liabilities		
Advance sales receipts	$ 1,581,402	$ 5,578
Receipts under custody	17,074	19,911
Others	-	13
	$ 1,598,476	$ 25,502
Non-current		
Other liabilities		
Guarantee deposits received	$ 8,675	$ 6,935
Others	10	20
	$ 8,685	$ 6,955

(Concluded)

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law 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	
	2020	2019
Present value of defined benefit obligation	$ 80,599	$ 78,352
Fair value of plan assets	(74,041)	(71,794)
Net defined benefit liabilities	$ 6,558	$ 6,558

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, 2019	$ 74,967	$ (68,415)	$ 6,552
Service cost			
Current service cost	1,967	-	1,967
Net interest expense (income)	843	(781)	62
Recognized in profit or loss	2,810	(781)	2,029
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,284)	(2,284)
Actuarial loss - changes in demographic assumptions	840	-	840
Actuarial loss - changes in financial assumptions	4,198	-	4,198
Actuarial gain - experience adjustments	(2,754)	-	(2,754)
Recognized in other comprehensive income	2,284	(2,284)	-
Contributions from the employer	-	(2,023)	(2,023)
Benefits paid	(1,709)	1,709	-
Balance at December 31, 2019	78,352	(71,794)	6,558
Service cost			
Current service cost	1,953	-	1,953
Net interest expense (income)	627	(582)	45
Recognized in profit or loss	2,580	(582)	1,998
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,397)	(2,397)
Actuarial loss - changes in demographic assumptions	804	-	804
Actuarial loss - changes in financial assumptions	4,017	-	4,017
Actuarial gain - experience adjustments	(2,424)	-	(2,424)
Recognized in other comprehensive income	2,397	(2,397)	-
Contributions from the employer	-	(1,998)	(1,998)
Benefits paid	(2,730)	2,730	-
Balance at December 31, 2020	$ 80,599	$ (74,041)	$ 6,558

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	
	2020	2019
Operating costs	$ 1,341	$ 1,321
Selling and marketing expenses	86	92
General and administrative expenses	371	400
Research and development expenses	200	216
	$ 1,998	$ 2,029

Through the defined benefit plans under the Labor Standards Law, 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	
	2020	2019
Discount rate	0.35%	0.8%
Expected rate of salary increase	2%	2%

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

	December 31	
	2020	2019
Discount rate		
0.25% increase	$ (2,272)	$ (1,378)
0.25% decrease	$ 2,349	$ 3,400
Expected rate of salary increase		
0.25% increase	$ 2,226	$ 3,304
0.25% decrease	$ (2,165)	$ (1,297)

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	
	2020	2019
Expected contributions to the plan for the next year	$ 1,998	$ 2,023
Average duration of the defined benefit obligation	10 years	11 years

22. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2020	2019
Number of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	761,618	770,391
Shares issued	$ 7,616,181	$ 7,703,911

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

On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020. The Company's paid-in capital was $7,616,181 thousand after the capital reduction.

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

2) Global depositary receipts

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

As of December 31, 2020 and 2019, there were 805 thousand units and 728 thousand units of outstanding GDRs, equivalent to 4,024 thousand ordinary shares and 3,638 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Arising from issuance of ordinary shares	$ 7,229,828	$ 7,460,295
Arising from conversion of bonds	12,775,052	12,775,052
Donations from shareholders	3,351	2,444
	$ 20,008,231	$ 20,237,791

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

The shareholders of the Company held their regular meeting on June 12, 2019 and resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each six months of the fiscal year.

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

1) Pay taxes;

2) Offset against deficit, if any;

3) Estimate compensation of employees and remuneration of directors;

4) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;

5) Reverse a special reserve in accordance with the laws or operating needs; and

6) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

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

1) Pay taxes;

2) Offset against deficit, if any;

3) 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.

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

Under the dividends policy as set forth in the Articles before the amendments, when the Company makes a profit in a fiscal year, the profit should be appropriated as follows:

1) Offset against deficit, if any;

2) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;

3) Reverse a special reserve in accordance with the laws or operating needs; and

4) 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 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 deficits. 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.

Per Order No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs," the Company should make provisions to or reversals from a special reserve.

The appropriations of earnings for 2019 and 2018 were approved in the shareholders' meetings on June 30, 2020 and June 12, 2019, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2019	**2018**
Legal reserve	$ 1,127,212	$ 2,797,219
Special reserve	$ 4,778,189	$ 1,203,262
Cash dividends	$ 7,616,181	$ 9,244,692
Cash dividends per share (NT$)	$ 10	$ 12

d. Other equity items

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (12,148,648)	$ (7,401,796)
Exchange differences on translating the financial statements of foreign operations	(2,177,826)	(4,746,852)
Balance at December 31	$ (14,326,474)	$ (12,148,648)

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (39,858)	$ (8,520)
Unrealized gain/(loss) - equity instruments	(5,115)	24,315
Share from subsidiaries accounted for using the equity method	(22,863)	(55,653)
Balance at December 31	$ (67,836)	$ (39,858)

e. Treasury shares

To maintain the Company's credit and shareholders' equity, on March 17, 2020, the Company's board of directors resolved to buy back 25,000 thousand shares from March 18, 2020 to May 17, 2020 at the price range from $132 per share to $354.2 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the execution duration, the Company bought back 8,773 thousand shares with total cost of $1,796,390 thousand. On May 18, 2020, the Company's board of directors approved a capital reduction to cancel the Company's 8,773 thousand treasury shares, and the record date was June 30, 2020.

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

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

23. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from the sale of metal casing	$ 57,677,427	$ 64,446,281
Rental income	15,796	14,479
	$ 57,693,223	$ 64,460,760

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, 2020	December 31, 2019	January 1, 2019
Trade receivables			
Gross carrying amount	$ 6,560,748	$ 14,033,457	$ 11,121,045
Less: Allowance for impairment loss	(8,438)	(8,438)	(8,438)
	$ 6,552,310	$ 14,025,019	$ 11,112,607
Contract liabilities - current			
Sale of goods	$ 6,396	$ 20,930	$ 20,169

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 735,343	$ 1,714,617
Repurchase agreements	9,908	15,737
	$ 745,251	$ 1,730,354

b. Other income

	For the Year Ended December 31	
	2020	2019
Tax refund income	$ 1,230,578	$ -
Dividend income	19,421	26,040
Government grants	4,219	3,721
Recycling income	4,444	2,412
Others	6,625	5,520
	$ 1,265,287	$ 37,693

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Fair value changes of financial assets mandatorily classified as at FVTPL	$ 24,552	$ (17,484)
Others	(196)	(198)
	$ 24,356	$ (17,682)

d. Interest expense

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 457,552	$ 410,882
Interest on loans from related parties	4,155	7,156
Interest on lease liabilities	1,066	999
	$ 462,773	$ 419,037

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	$ 947,926	$ 864,834
Operating expenses	60,318	62,030
	$ 1,008,244	$ 926,864
An analysis of amortization by function		
Operating costs	$ 36,056	$ 32,109
Operating expenses	14,041	13,485
	$ 50,097	$ 45,594

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2020	2019
Direct operating expenses from investment properties generating rental income	$ 8,935	$ 8,567

g. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 3,501,483	$ 3,415,889
Post-employment benefits		
Defined contribution plans	97,043	93,578
Defined benefit plans (Note 21)	1,998	2,029
	99,041	95,607
	$ 3,600,524	$ 3,511,496
An analysis of employee benefits expense by function		
Operating costs	$ 3,120,381	$ 2,836,432
Operating expenses	480,143	675,064
	$ 3,600,524	$ 3,511,496

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, 2020 and 2019, which were approved by the Company's board of directors on March 10, 2021 and March 10, 2020, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Compensation of employees	3.99%	7.01%
Remuneration of directors	0.05%	0.12%

Amount

	For the Year Ended December 31			
	2020		2019	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 1,164,883	$ -	$ 950,847	$ -
Remuneration of directors	15,523	-	16,444	-

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, 2019 and 2018.

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	
	2020	2019
Foreign exchange gains	$ 9,218,022	$ 6,550,981
Foreign exchange losses	(12,843,139)	(7,577,817)
	$ (3,625,117)	$ (1,026,836)

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	
	2020	2019
Current tax		
In respect of the current year	$ -	$ 645,024
Income tax on unappropriated earnings	-	689,486
Adjustment for prior years	320,231	99,535
Tax on repatriated offshore funds	2,294,302	-
	2,614,533	1,434,045
Deferred tax		
In respect of the current year	4,223,688	(111,061)
Adjustment for prior years	10,302	-
	4,233,990	(111,061)
	$ 6,848,523	$ 1,322,984

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

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

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$ 27,978,343	$ 12,595,108
Income tax expense calculated at the statutory rate	$ 5,595,669	$ 2,519,021
Unrealized gains on investments	(5,555,793)	(1,959,173)
Non-deductible expenses in determining taxable income	596	587
Non-additive income in determining taxable income	(401,355)	-
Deferred tax effect of earnings of subsidiaries	4,593,365	-
Tax-exempt income	(8,794)	(5,208)
Additional income tax on unappropriated earnings	-	689,486
5-year tax-exempt income	-	(21,264)
Adjustments for prior years' deferred tax	10,302	-
Adjustments for prior years' tax	320,231	99,535
Tax on repatriated offshore funds	2,294,302	-
	$ 6,848,523	$ 1,322,984

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

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

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Company only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	$ 88,129	$ 23,503

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, 2020

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

	$ 39,149	$ 4,577,278	$ 4,616,427

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Provisions for losses on inventories	$ 180,031	$ 2,458	$ 182,489
Impairment loss on property, plant and equipment	2,787	(2,614)	173
Unrealized sales returns	19,840	(18,583)	1,257
Defined benefit obligation	1,310	2	1,312
Payables for annual leave	11,800	4,097	15,897
Unrealized gain on disposals of property, plant and equipment	555	(232)	323
Unrealized intercompany profit	306,310	(83,629)	222,681
Other payables	4,578	(4,435)	143
Financial assets at FVTPL	5,646	3,497	9,143
Right - of - use assets	-	61	61
Unrealized foreign exchange losses	20,340	212,691	233,031
	$ 553,197	$ 113,313	$ 666,510
Deferred tax liabilities			
Temporary differences			
Depreciation differences	$ 24,300	$ 2,252	$ 26,552
Reserves for land value increment tax	12,597	-	12,597
	$ 36,897	$ 2,252	$ 39,149

d. Information about unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
$ 298,494	2030

As of December 31, 2020, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

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

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

The taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized amounted to NT$12,980,304 thousand and NT$20,953,639 thousand as of December 31, 2020 and 2019, respectively.

f. Income tax assessments

The tax returns of the Company through 2017 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

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

Net profit for the year

	For the Year Ended December 31	
	2020	2019
Net profit for the year of the Company	$ 21,129,820	$ 11,272,124

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

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares in computation of basic earnings per share	764,102	770,391
Effect of potentially dilutive ordinary shares:		
Compensation of employees	6,461	5,592
Weighted average number of ordinary shares used in the computation of diluted earnings per share	770,563	775,983

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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, 2020

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

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	$ 324,380	$ -	$ -	$ 324,380
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	$ -	$ -	$ 89,295	$ 89,295

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 89,295	$ 64,980
Recognized in other comprehensive income (included in unrealized gain/loss on financial assets at financial assets at FVTOCI)	(5,115)	24,315
Balance at December 31	$ 84,180	$ 89,295

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

The fair value of unlisted equity securities in the ROC was estimated using the market approach and based on the recent net equity. In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments.

c. Categories of financial instruments

	December 31			
	2020		2019	
<u>Financial assets</u>				
Financial assets at FVTPL				
Mandatorily classified as at FVTPL	$	348,932	$	324,380
Financial asset at amortized cost (i)		84,150,595		62,831,768
Financial assets at FVTOCI				
Equity instruments		84,180		89,295
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost (ii)		78,170,562		77,697,111

(i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and refundable deposits.

(ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The 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	
	2020	2019
Profit or loss	$ 761,905	$ 566,151

	RMB Impact	
	For the Year Ended December 31	
	2020	2019
Profit or loss	$ 8,859	$ (2,532)

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 increased during the current period mainly due to the increase 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	
	2020	2019
Fair value interest rate risk		
Financial assets	$ 73,268,990	$ 43,597,208
Financial liabilities	143,860	156,867
Cash flow interest rate risk		
Financial assets	503,492	4,815,504
Financial liabilities	70,465,726	65,894,246

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, 2020 and 2019 would have decreased/increased by NT$69,962 thousand and NT$61,079 thousand, respectively; the change would have been mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings of cash flow.

The Company's sensitivity to interest rates increased during the current period mainly due to the decrease in variable rate financial assets and increase in variable rate financial liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by NT$3,489 thousand and NT$3,244 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, 2020 and 2019 was as follows:

	December 31			
	2020		**2019**	
	Amount	**%**	**Amount**	**%**
Customer A	$3,539,126	54	$ 10,378,389	74
Customer B	1,421,261	22	1,141,101	8
Customer C	85	-	981,450	7

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, 2020

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

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 8,910	$ 18,334	$ 22,918	$ 22,918	$ 44,935	$ 41,252

December 31, 2019

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$11,472,957	$ 322,973	$ 6,935	$ -
Lease liabilities	1,298	26,372	22,309	121,382
Variable interest rate liabilities	37,286,457	28,755,566	-	-
	$48,760,712	$29,104,911	$ 29,244	$ 121,382

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 27,670	$ 22,309	$ 22,478	$ 22,478	$ 22,478	$ 53,948

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	
	2020	2019
Unsecured bank loan facilities		
Amount used	$ 70,475,726	$ 65,904,246
Amount unused	11,953,874	14,119,854
	$ 82,429,600	$ 80,024,100

29. TRANSACTIONS WITH RELATED PARTIES

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

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

Related Party Name	Relationship
Topo Technology (Taizhou) Co., Ltd. ("Topo Taizhou") (Note)	Subsidiaries (100% of Indirect ownership)
Meeca Technology (Taizhou) Co., Ltd. ("Meeca Taizhou") (Note)	Subsidiaries (100% of Indirect ownership)
Catcher Technology (Suqian) Co., Ltd. ("Catcher Suqian")	Subsidiaries (100% of Indirect ownership)
Vito Technology (Suqian) Co., Ltd. ("Vito Suqian")	Subsidiaries (100% of Indirect ownership)
Arcadia Technology (Suqian) Co., Ltd. ("Arcadia Suqian")	Subsidiaries (100% of Indirect ownership)
Envio Technology (Suqian) Co., Ltd. ("Envio Suqian")	Subsidiaries (100% of Indirect ownership)
Aquila Technology (Suqian) Co., Ltd. ("Aquila Suqian")	Subsidiaries (75% of Indirect ownership)
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)
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)

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

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category	2020	2019
Revenue from sale of goods	Subsidiaries	$ 3,578,563	$ 132,550
Deduction of Costs	Subsidiaries	$ 11,325	$ 21,844

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	
	2020	2019
Subsidiaries		
Next Level Ltd.	$ 44,676,624	$ 46,416,886
Others	346,036	3,773,585
	$ 45,022,660	$ 50,190,471

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	
	2020	2019
Subsidiaries	$ 15,121	$ 23,431

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	
		2020	2019
Trade receivables from related parties	Subsidiaries		
	Lyra	$ 3,479,296	$ -
	Other	84,826	128,452
		$ 3,564,122	$ 128,452
Other receivables from related parties	Subsidiaries		
	Catcher Sugian	$ 53,813	$ 3,622
	Other	11,548	2,841
	Associates	31	30
		$ 65,392	$ 6,493

The outstanding accounts receivables from related parties are unsecured. No impairment loss was recognized for receivables from related parties for the year ended December 31, 2020 and 2019.

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

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Trade payables to related parties	Subsidiaries		
	Next Level Ltd.	$ 2,676,475	$ 5,266,287
	Others	77,769	51,168
		$ 2,754,244	$ 5,317,455
Other payables to related parties	Subsidiaries	$ 92,637	$ 241,198

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 2020	Purchase Price For the Year Ended December 31 2019
Subsidiaries	$ 161,496	$ 380,854

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 year ended December 31, 2020 and 2019 was NT$742 thousand and NT$1,617 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, 2020
Subsidiaries	
Catcher Suqian	$ 3,731
Vito Suqian	3,713
	$ 7,444

The credit terms are 90 days after current month’s closing for related parties. The accumulated unrealized gain for the year ended December 31, 2020 and 2019 was NT$619,130 thousand and NT$1,113,404 thousand, respectively and deducted from Investments accounted for using the equity method.

j. Loans from related parties

Related Party Category/Name	December 31 2020	December 31 2019
Ke Yue Co., Ltd.	$ -	$ 600,000
Yi Sheng Co., Ltd.	-	163,000
Yi De Co., Ltd.	-	163,000
	$ -	$ 926,000

Interest expense

Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Ke Yue Co., Ltd.	$ 2,713	$ 4,648
Yi Sheng Co., Ltd.	721	1,254
Yi De Co., Ltd.	721	1,254
	$ 4,155	$ 7,156

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

k. Compensation of key management personnel

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 133,174	$ 57,530
Post-employment benefits	29,943	35,371
	$ 163,117	$ 92,901

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

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2020 and 2019 were as follows:

Unrecognized commitments are as follows:

	December 31 2020	December 31 2019
Acquisition of property, plant and equipment	$ 58,439	$ 238,857
Acquisition of inventories	$ 47,947	$ 102,298

31. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, some of the Company's subsidiaries located in China have temporarily suspended operations. However, those operating locations gradually returned to operation, starting from February 10, 2020. Besides, the Government of China has reduced the collection of endowment insurance by half for 3 months. The Company's operation condition for the year ended December 31, 2020 was similar to that during the previous year. Therefore, the pandemic did not cause material impact on the Company.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the economic impact of the COVID-19 pandemic on the Company.

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, 2020

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

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,099,273	29.93	$ 62,831,230
Non-monetary items			
Investment accounted for using equity method			
USD	4,886,858	29.98	146,508,003
Financial liabilities			
Monetary items			
USD	206,996	30.03	6,216,085
RMB	58,472	4.330	253,182

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

	For the Year Ended December 31			
	2020		2019	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.549(USD:NTD)	$ (3,626,232)	30.912(USD:NTD)	$ (1,046,450)
RMB	4.2837(RMB:NTD)	1,889	4.4837(RMB:NTD)	14,458
JPY	0.2769(JPY:NTD)	(779)	0.2837(JPY:NTD)	5,183
EUR	33.71(EUR:NTD)	5	34.615(EUR:NTD)	(27)
		$ (3,625,117)		$ (1,026,836)

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 (Table 5)

6) Disposals of individual real estate at a price of at least NT$300 million or 20% of the paid-in capital (N/A)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (N/A)

b. Information on investees (Table 8)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, and repatriations of investment from the mainland China area (Table 9)

2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 6 and 7):

a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) Property transactions - the amount of property transactions and the amount of the resultant gains or losses

d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders：List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (N/A)

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 Item	Collateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
1	Topo Technology (Suzhou) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	$ 131,496	$ -	$ -	1.5	For short-term financing	$ -	Operating capital	$ -	-	$ -	$789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	767,060	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										
2	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	284,908	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	730,745	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										
3	Catcher Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	429,710	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,361,610	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	3,462,728	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	3,604,440	-	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	3,199,736	938,432	938,432	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 938,432										
4	Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,394,920	$ 2,394,920	2,394,920	0.76604 ~ 1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
5	Envio Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	613,648	$ -	-	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	1,811,392	1,811,392	1,811,392	1.5	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 1,811,392										
6	Cygnus International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	3,025,000	$ -	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
7	Gigamag Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	11,192,500	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
8	Next Level Ltd.	Norma International Co., Ltd.	Other receivables - related parties	Yes	605,000	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co.,	Other receivables -	Yes	3,630,000	-	-	-	For short-	-	Operating	-	-	-	789,875,325	

		Ltd.	related parties						term financing		capital					
		Uranus International Co., Ltd.	Other receivables - related parties	Yes	7,562,500	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ -										

(Continued)

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 Item	Collateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
9	Norma International Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	$ 605,000	$ -	$ -	2.267	For short-term financing	$ -	Operating capital	$ -	-	$ -	$789,875,325	
		Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	605,000	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	2,722,500	-	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	589,800	569,600	569,600	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 569,600										
10	Uranus International Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	4,537,500	$ -	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Topo Technology (Taizhou) Co., Ltd.	Other receivables - related parties	Yes	6,050,000	-	-	2.267	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Lyra International Co., Ltd.	Other receivables - related parties	Yes	142,400	142,400	-	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	
		Cygnus International Co., Ltd.	Other receivables - related parties	Yes	2,359,200	2,278,400	2,278,400	-	For short-term financing	-	Operating capital	-	-	-	789,875,325	$789,875,325
						$ 2,420,800										
11	Ke Yue Co., Ltd.	Catcher Technology Co., Ltd.	Other receivables - related parties	Yes	600,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	447,909	$ 447,909
12	Yi Sheng Co., Ltd.	Catcher Technology Co., Ltd	Other receivables - related parties	Yes	163,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	119,423	$ 119,423
13	Yi De Co., Ltd.	Catcher Technology Co., Ltd	Other receivables - related parties	Yes	163,000	$ -	-	0.57978	For short-term financing	-	Operating capital	-	-	-	119,423	$ 119,423

(Concluded)

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value as of December 31, 2020 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2020 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value as of December 31, 2020 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2020 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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	$ 78,987,532	10,000	$ 10,000	$ 10,000	$ -	0.01	$157,975,065	N	N	N
1	Topo Technology (Taizhou) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Business relation	78,987,532	43,796	$ 43,648	$ 43,648	$ -	0.03	$157,975,065	N	N	Y
2	Meeca Technology (Taizhou) Co., Ltd.	Meeca Technology (Taizhou) Co., Ltd.	Business relation	78,987,532	85,970	$ 43,648	$ 43,648	$ -	0.03	$157,975,065	N	N	Y
3	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	78,987,532	21,898	$ 21,824	$ 21,824	$ -	0.01	$157,975,065	N	N	Y
4	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	78,987,532	27,081	$ 21,824	$ 21,824	$ -	0.01	$157,975,065	N	N	Y
5	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	78,987,532	25,361	$ 7,420	$ 7,420	$ -	-	$157,975,065	N	N	Y
6	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	78,987,532	13,139	$ 13,094	$ 13,094	$ -	0.01	$157,975,065	N	N	Y
7	Aquila Technology (Suqian) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Business relation	78,987,532	8,730	$ 8,730	$ 8,730	$ -	-	$157,975,065	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, 2020.

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, 2020.

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., Ltd.	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	$ 53,880	10	$ 53,880	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	30,300	3.57	30,300	
					$ 84,180		$ 84,180	
	Sinher Technology Co., Ltd.	None	Financial assets at FVTPL - current	7,439,917	$ 348,932	9.998	$ 348,932	
Ke Yue Co., Ltd.	Qisda Corporation	None	Financial assets at FVTPL - current	30,000	$ 869	0.002	$ 869	
Nanomag International Co., Ltd.	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	$ 568,700	23.51	$ 568,700	Note 3

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

Note 2: Refer to Tables 8 and 9 for information on subsidiaries and associates.

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

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Lyra International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Investments accounted for using the equity method	Lens International (HK) Ltd.	Investing activities	-	$ 8,826,869 (USD 294,425,255)	-	$ 255,543 (USD 21,528,706) (Note 1)	-	$ - (Note 3)	$ 9,082,412 (USD 315,953,961)	$ - (Note 4)	-	$ -
	Meeca Technology (Taizhou) Co., Ltd.	Investments accounted for using the equity method	Lens International (HK) Ltd.	Investing activities	-	6,630,643 (USD 221,168,895)	-	(1,384,438) (USD 38,666,804) (Note 2)	-	- (Note 3)	5,246,205 (USD 182,502,091)	- (Note 4)	-	-

Note 1: Including the share of loss of subsidiaries accounted for using the equity method of US$4,594,617, capital surplus - changes in ownership interests in subsidiaries of US$10,261,943, foreign exchange gains on translating foreign operations of US$23,058,998 and repatriation of earnings of US$7,197,618.

Note 2: Including the share of loss of subsidiaries accounted for using the equity method of US$51,955,015, capital surplus - changes in ownership interests in subsidiaries of US$2,237,842, foreign exchange gains on translating foreign operations of US$16,001,278 and repatriation of earnings of US$4,950,909.

Note 3: Total equity sale price is $41,029,007 thousand (US$1,427,294,484).

Note 4: Gain on disposal includes reclassification of other comprehensive income in respect of subsidiaries and related expenses and tax. Total gain on disposal is $25,951,192 thousand (US$902,775,776).

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/ Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Envio Technology (Suqian) Co., Ltd.	Manufacturing plant	2017.08.18-2020.12.31	Contract price is NT$755,616 thousand (RMB 173,116 thousand); NT$744,282 thousand has been put into construction	In accordance with rules of contracts and progress	Self-built assets (The main contractor is Zhongxing Construction Co., Ltd.)	-	-	-	-	$ -	Price comparison or negotiation	Operating production	-

TABLE 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	$ (1,480,547)	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	$ 1,230,121	11	
			Purchases	818,830	24	Net 30 to 90 days after month end close	Equivalent	Equivalent	(703,167)	23	
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	113,656	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(65,849)	2	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(348,904)	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	266,289	2	
			Purchases	113,090	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(48,347)	2	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	221,242	6	Net 120 days after month end close	Equivalent	Equivalent	(108,432)	4	
Topo Technology (Taizhou) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	363,222	4	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	120,589	1	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchase	236,157	2	Net 120 days after month end close	Equivalent	Equivalent	-	-	Note
	Meeca Technology (Taizhou) Co., Ltd.	Same ultimate parent company	Sales	(218,366)	1	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
			Purchases	688,589	7	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Next Level Ltd.	Same ultimate parent company	Sales	(19,078,703)	14	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	Note
Vito Technology (Suqian) Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(322,147)	2	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	77,553	-	
	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	172,927	4	Net 120 days after month end close	Equivalent	Equivalent	(79,576)	3	
	Meeca Technology (Taizhou) Co., Ltd.	Same ultimate parent company	Sales	(265,570)	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
			Purchases	479,633	10	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	130,474	3	Net 30 to 90 days after month end close	Equivalent	Equivalent	(90,330)	3	
	Next Level Ltd.	Same ultimate parent company	Sales	(4,046,593)	4	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	1,448,602	23	
Meeca Technology (Taizhou) Co., Ltd.	Aquila Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	135,053	-	Net 120 days after month end close	Equivalent	Equivalent	-	-	Note
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	134,987	2	Net 30 to 90 days after month end close	Equivalent	Equivalent	-	-	Note
	Next Level Ltd.	Same ultimate parent company	Sales	(12,198,038)	13	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	-	-	Note
Envio Technology (Suqian) Co., Ltd.	Next Level Ltd.	Same ultimate parent company	Sales	(9,351,351)	14	Net 30 to 90 days after month end close	No comparable sales prices for general customers	Equivalent	2,422,407	98	
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Sales	(44,676,624)	100	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	2,676,475	100	
Lyra International Co., Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	Purchases	3,479,296	100	Net 30 to 120 days after month end close	No comparable sales prices for general customers	Equivalent	(3,479,296)	100	

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

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, 2020
(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	$ 814,346	- (Note 3)	$ -	Not applicable	$ 197,216	-
			1,230,121	1.67	-	Not applicable	391,650	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	938,432	- (Note 1)	-	Not applicable	-	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	266,289	1.30	-	Not applicable	80,412	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	200,360	- (Note 3)	-	Not applicable	49,900	-
			703,167	2.07	-	Not applicable	218,533	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	108,130	- (Note 3)	-	Not applicable	41,899	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	242,459	- (Note 3)	-	Not applicable	81,195	-
	Next Level Ltd.	Same ultimate parent company	1,448,602	2.41	-	Not applicable	15,482	-
Envio Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,811,392	- (Note 1)	-	Not applicable	-	-
	Next Level Ltd.	Same ultimate parent company	2,422,407	5.50	-	Not applicable	894,999	-
Aquila Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	108,432	1.99	-	Not applicable	7,740	-
Next Level Ltd.	Catcher Technology Co., Ltd.	Ultimate parent company	2,676,475	11.25	-	Not applicable	2,676,475	-
Catcher Technology Co., Ltd.	Lyra International Co., Ltd.	Subsidiary	3,479,296	2.00	-	Not applicable	-	-
Norma International Co., Ltd.	Cygnus International Co., Ltd.	Same ultimate parent company	569,600	- (Note 1)	-	Not applicable	-	-
Uranus International Co., Ltd.	Cygnus International Co., Ltd.	Same ultimate parent company	2,278,400	- (Note 1)	-	Not applicable	-	-

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

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2020	December 31, 2019	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	$ 1,091,353	$ 1,127,452	$ 1,321,844	
	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	143,762,628	29,050,679	26,961,614	
	Yue-Kang Health Control Technology Inc.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Health and medical treatment consultant	72,000	72,000	7,200,000	45	11,583	(1,582)	(712)	
	Ke Yue Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	1,129,000	1,129,000	11,290,000	100	1,119,774	(10,053)	(10,053)	
	Yi Sheng Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	298,000	298,000	3,070,000	100	298,558	335	335	
	Yi De Co., Ltd.	1F, No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (ROC)	Investing activities	298,000	298,000	3,070,000	100	298,558	335	335	
Gigamag Co., Ltd.	Neat Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	International trading	285 (USD 10,000)	285 (USD 10,000)	10,000	100	249	3		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,753 (USD 1,009,592)	28,753 (USD 1,009,592)	1,009,592	100	3,253,478	(166,613)		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,457,614 (USD 332,079,144)	9,457,614 (USD 332,079,144)	332,079,144	100	38,798,657	21,115,446		
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	31,898 (USD 1,120,000)	31,898 (USD 1,120,000)	1,050,000	75	289,612	144,994		
	Uranus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,363,787 (USD 399,009,383)	11,363,787 (USD 399,009,383)	399,009,383	100	36,752,713	9,087,937		
	Norma International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,530,720 (USD 299,533,691)	8,530,720 (USD 299,533,691)	299,533,691	100	8,079,048	(453,938)		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	285 (USD 10,000)	285 (USD 10,000)	10,000	100	147,937	86,470		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	261,266 (SGD 12,118,100)	-	12,118,100	100	256,294	(4,924)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	284,950 (USD 10,005,259)	284,950 (USD 10,005,259)	10,005,259	100	2,974,947	(171,506)		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	9,456,881 (USD 332,053,412)	9,456,881 (USD 332,053,412)	332,053,412	100	39,108,169	21,113,531		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	39,872 (USD 1,400,000)	39,872 (USD 1,400,000)	1,400,000	100	385,464	145,205		

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

Note 2: Information on investments in mainland China is provided in Table 9.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (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, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	$ -	2. Cygnus International Co., Ltd. (Note 8)	$ 949,523 (USD 33,340,000)	$ -	$ -	$ 949,523 (USD 33,340,000)	$ -	100	$ -	$ -	$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	285,085 (USD 10,010,000)	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,148,883 (USD 40,340,000)	-	-	1,148,883 (USD 40,340,000)	(99,948)	100	(99,948) (Note 2.(A))	1,052,638	-
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,500,908 (RMB 829,779,072) (USD 65,979,240)	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	(94,822)	100	(94,822) (Note 2.(A))	-	5,482,243
Meeca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,680,702 (RMB 814,650,196) (USD 74,610,861)	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	(1,458,058)	100	(1,458,058) (Note 2.(A))	-	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	284,800 (USD 10,000,000)	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	(138,069)	100	(138,069) (Note 2.(A))	1,010,791	-
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,696,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,705,572 (USD 94,999,000)	-	-	2,705,572 (USD 94,999,000)	6,533,512	100	6,533,512 (Note 2.(A))	16,796,518	10,597,814
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,554,990 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	3,220,946	100	3,220,946 (Note 2.(A))	13,214,437	-
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,692,494 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	(1,957,379)	100	(1,957,379) (Note 2.(A))	2,083,373	-
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	2,847,124 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	1,485,088	100	1,485,088 (Note 2.(A))	5,448,564	-
Aquila Technology (Suqian) Co., Ltd.	Manufacturing and selling molds and electronic parts	39,872 (USD 1,400,000)	2. Cepheus International Co., Ltd.	31,898 (USD 1,120,000)	-	-	31,898 (USD 1,120,000)	174,835	75	131,126 (Note 2.(A))	384,639	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	70	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	628,893 (USD 22,081,923)	-	-	628,893 (USD 22,081,923)	-	46	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018 (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)
$ 5,464,769 (USD 191,880,923)	$ 40,703,018 (USD 1,024,374,988) (RMB 2,641,316,560)	$ 94,842,961

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 $158,071,602×60%=$94,842,961.

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.

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 Meeca 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.

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 Meeca 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., Ltd., which were then invested in Meeca 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 Meeca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Meeca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd.

Note 13: The exchange rate on December 31, 2020 was US$1:NT$28.48.
The exchange rate on December 31, 2020 was RMB1:NT$4.3648.

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$71,010,000 and RMB$ 188,956,820, which is the proceeds arising from returned capital of the liquidation from Catcher Technology (Suzhou) Co., Ltd. and the returned capital reduction from Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd., is invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

TABLE 10

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Miscellaneous Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2019	$ 2,179,324	$ 2,668,554	$ 6,352,779	$ 34,001	$ 45,823	$ 707,179	$ 322,217	$ 12,309,877
Additions	-	8,190	47,028	3,342	2,762	26,275	90,119	177,716
Disposals	-	(2,742)	(24,682)	(120)	(184)	(6,518)	-	(34,246)
Reclassification	-	358,427	1,351,679	3,341	-	62,773	(354,427)	1,421,793
Balance at December 31, 2019	$ 2,179,324	$ 3,032,429	$ 7,726,804	$ 40,564	$ 48,401	$ 789,709	$ 57,909	$ 13,875,140
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ -	$ 417,096	$ 4,467,452	$ 21,386	$ 31,448	$ 476,289	$ -	$ 5,413,671
Depreciation	-	74,685	738,120	4,690	4,323	89,684	-	911,502
Disposals	-	(904)	(22,974)	(120)	(184)	(6,495)	-	(30,677)
Balance at December 31, 2019	$ -	$ 490,877	$ 5,182,598	$ 25,956	$ 35,587	$ 559,478	$ -	$ 6,294,496
Carrying amounts at December 31, 2019	$ 2,179,324	$ 2,541,552	$ 2,544,206	$ 14,608	$ 12,814	$ 230,231	$ 57,909	$ 7,580,644
Cost								
Balance at January 1, 2020	$ 2,179,324	$ 3,032,429	$ 7,726,804	$ 40,564	$ 48,401	$ 789,709	$ 57,909	$ 13,875,140
Additions	-	3,495	16,054	1,835	4,169	63,391	25,966	114,910
Disposals	-	(1,430)	(283,355)	(4,700)	(207)	(31,678)	-	(321,370)
Reclassification	-	9,260	434,409	-	5,075	19,387	(22,917)	445,214
Balance at December 31, 2020	$ 2,179,324	$ 3,043,754	$ 7,893,912	$ 37,699	$ 57,438	$ 840,809	$ 60,958	$ 14,113,894
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ -	$ 490,877	$ 5,182,598	$ 25,956	$ 35,587	$ 559,478	$ -	$ 6,294,496
Depreciation	-	78,288	805,757	5,888	5,076	95,252	-	990,261
Disposals	-	(510)	(281,402)	(4,700)	(167)	(31,393)	-	(318,172)
Balance at December 31, 2020	$ -	$ 568,655	$ 5,706,953	$ 27,144	$ 40,496	$ 623,337	$ -	$ 6,966,585
Carrying amounts at December 31, 2020	$ 2,179,324	$ 2,475,099	$ 2,186,959	$ 10,555	$ 16,942	$ 217,472	$ 60,958	$ 7,147,309

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Maturity Date	Interest Rate (%)	Amount
Cash on hand			$ 401
Deposits			
Demand deposits			233,446
Foreign currency deposits (Note 1)			270,046
Cash Equivalents			
Time deposits (Note 2)	2021.01 ~ 2021.02	0.33~2.81	26,703,963
Repurchase agreements (Note 3)	2021.01 ~ 2021.03	1.05~1.10	462,776
			$27,670,632

Note 1: Including US$ 8,992,892.68, RMB 3,303,790.55 and JPY 1,251

Note 2: Including US$ 907,448,000 and RMB 208,000,000

Note 3: Including US$ 16,277,757.38
(US $1=NT $ 28.430, RMB 1=NT $ 4.352 and JPY1=NT $ 0.2763)

STATEMENT 2

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Customer Name	Amount
Customer A	$ 3,539,126
Customer B	1,421,261
Others (Note 2)	1,600,361
	6,560,748
Less: Allowance for impairment loss	8,438
	$ 6,552,310

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 3

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Merchandise	$ 44,250	$ 46,651
Finished goods	1,624,250	2,106,448
Work-in-process and semi-finished goods	614,866	949,273
Raw materials	46,319	64,026
Supplies	60,781	90,605
	$ 2,390,466	$ 3,257,003

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI – NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2020		Additions			Balance, December 31, 2020			
Investee Company	Shares	Amount	Shares/Units	Amount	Unrealized Gain (loss) on Financial Assets at FVTOCI	Shares	Amount	Fair Value (Note)	Collateral
Unlisted shares									
Alpha Information Systems, Inc.	1,500,000	$ 57,075	-	$ -	$ (3,195)	1,500,000	$ 53,880	$ 53,880	None
CDIB Capital Innovation Accelerator Co., Ltd.	3,000,000	32,220	-	-	(1,920)	3,000,000	30,300	30,300	None
		$ 89,295		$ -	$ (5,115)		$ 84,180	$ 84,180	

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, 2020
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2019		Additions (Reductions)					Balance, December 31, 2019				
Investee Company	Shares	Amount	Shares/Units	Amount	Note	Gain (loss) on Investments	Cumulative Translation Adjustment	Shares	Proportion of Ownership (%)	Amount	Fair Value	Collateral
Investment accounted for using the equity method												
Nanomag International Co., Ltd. (foreign company)	30	$117,348,698	-	$ 1,052,689	Note 1	$26,961,614	$ (1,600,373)	30	100	$143,762,628	$148,134,805	None
Gigamag Co., Ltd. (foreign company)	14,377,642	29,159,305	-	(28,812,343)	Note 2	1,321,844	(577,453)	14,377,642	100	1,091,353	1,092,057	None
Yue-Kang Health Control Technology Inc. (unlisted company)	7,200,000	12,295	-	-		(712)	-	7,200,000	45	11,583	11,583	None
Ke Yue Co., Ltd. (unlisted company)	11,290,000	1,137,264	-	(7,437)	Note 3	(10,053)	-	11,290,000	100	1,119,774	1,119,774	None
Yi Sheng Co., Ltd. (unlisted company)	3,070,000	300,231	-	(2,008)	Note 3	335	-	3,070,000	100	298,558	298,558	None
Yi De Co., Ltd. (unlisted company)	3,070,000	300,231	-	(2,008)	Note 3	335	-	3,070,000	100	298,558	298,558	None
		$148,258,024		$(27,771,107)		$28,273,363	$ (2,177,826)			$146,582,454	$150,955,335	

Note 1:
The details of increase (decrease) were as follows:

Unrealized loss on investments in equity instruments at FVTOCI by subsidiaries	$ (22,863)
Employee compensation recognized by subsidiaries	1,075,552
	$ 1,052,689

Note 2:
The details of increase (decrease) were as follows:

Cash dividends received	$(28,813,096)
Realized gain from downstream transactions adjustment	753
	$(28,812,343)

Note 3: Cash dividends received

STATEMENT 6

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Buildings	Total
Cost			
Balance at January 1, 2020	$ 153,112	$ 14,676	$ 167,788
Additions	39,294	762	40,056
Balance at December 31, 2020	$ 192,406	$ 15,438	$ 207,844
Accumulated depreciation			
Balance at January 1, 2020	$ 4,300	$ 5,115	$ 9,415
Depreciation	5,897	5,977	11,874
Balance at December 31, 2020	$ 10,197	$ 11,092	$ 21,289
Carrying amounts at December 31, 2020	$ 182,209	$ 4,346	$ 186,555

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

	Maturity Date	Interest rate (%)	Balance	Credit Line	Collateral
Borrowings of unsecured loans					
CTBC Bank	2020.10 ~ 2021.01	0.65	$ 2,990,000	$ 6,000,000	None
Taishin Bank	2020.12 ~ 2021.01	0.87	4,000,000	4,000,000	None
Taipei Fubon Bank	2020.11 ~ 2021.04	0.59	8,200,000	8,200,000	None
HSBC Bank	2020.11 ~ 2021.10	0.75	1,450,000	5,500,000	None
SMBC Bank	2020.10 ~ 2021.02	0.69	15,240,000	17,088,000	None
Mizuho Bank	2020.07 ~ 2021.04	0.63	20,285,726	20,285,726	None
MUFG Bank	2020.11 ~ 2021.03	0.60	14,000,000	14,000,000	None
SinoPac Bank	2020.12 ~ 2021.02	0.75	4,300,000	5,000,000	None
			$ 70,465,726		

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Vendor A	$ 58,911
Vendor B	55,667
Vendor C	36,037
Vendor D	32,558
Vendor E	23,926
Vendor F	22,218
Others (Note)	202,878
	$ 432,195

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

STATEMENT 9

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Summary	Lease Period	Discount Rate (%)	Balance, End of Year	Note
Land	Land at Renai factory	2000.04 ~ 2050.04	0.71	$ 139,545	-
Buildings	Taipei Office	2016.09 ~ 2021.10	0.71	4,315	-
				$ 143,860	

STATEMENT 10

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Quantities (Thousands)	Amount
Sale of Goods		
Manufactured products		
Metal casing	52,014	$ 57,944,804
Less : Sales returns	167	185,718
Sales discounts		81,659
Net operating revenue		57,677,427
Rental Income		15,796
		$ 57,693,223

STATEMENT 11

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise, beginning of year	$ 18,255
Add: Merchandise purchased	37,383
Others	48,216
Less: Merchandise, end of year	44,250
Cost of commodity transaction	59,604
Raw materials, beginning of year	44,896
Add: Raw material purchased	801,814
Others	15,964
Less: Raw materials, end of year	46,319
Others	2,541
Raw material consumption	813,814
Direct labor	1,608,401
Manufacturing expenses	4,367,397
Manufacturing cost	6,789,612
Add: Work-in-process and semi-finished goods, beginning of year	581,134
Work-in-process and semi-finished goods purchased	313,083
Others	8,948
Less: Work-in-process and semi-finished goods, end of year	614,866
Others	169,112
Manufacturing cost	6,908,799
Add: Finished goods, beginning of year	5,293,039
Finished goods purchased	44,676,678
Others	2,039
Less: Finished goods, end of year	1,624,250
Others	7,051
Finished goods costs of sales	55,249,254
Subtotal	55,308,858
Loss from physical count	929
Revenue from sale of scraps	(440,504)
Cost of others	(21,912)
The cost of inventories	54,847,371
Gain on disposals of property, plant and equipment	(49,223)
Loss on disposals of investment properties	768
Rental Cost	8,935
	$ 54,807,851

STATEMENT 12

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	$ 24,114	$ 107,213	$ 255,425	$ 386,752
Depreciation	3,583	32,222	24,513	60,318
Export expense	103,448	-	-	103,448
Shipping expense	26,797	15	255	27,067
Donation	-	19,321	-	19,321
Professional service fee	-	122,128	214	122,342
Test fee	-	-	199,924	199,924
Others	23,566	113,129	71,529	208,224
Total	$ 181,508	$ 394,028	$ 551,860	$ 1,127,396

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2020			For the Year Ended December 31, 2019		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	$ 2,632,173	$ 386,752	$ 3,018,925	$ 2,362,134	$ 601,113	$ 2,963,247
Labor and health insurance	232,159	30,551	262,710	215,731	28,588	244,319
Post-employment benefits	84,379	14,662	99,041	81,766	13,841	95,607
Remuneration of directors	-	16,501	16,501	-	17,441	17,441
Others	171,670	31,677	203,347	176,801	14,081	190,882
	$ 3,120,381	$ 480,143	$ 3,600,524	$ 2,836,432	$ 675,064	$ 3,511,496
Depreciation	$ 947,926	$ 60,318	$ 1,008,244	$ 864,834	$ 62,030	$ 926,864
Amortization	36,056	14,041	50,097	32,109	13,485	45,594

Note1: For the years ended December 31, 2020 and 2019, there were 5,074 and 4,667 employees in the Company, respectively. In addition, the Company had 4 and 5 non-employee directors for the years then ended.

Note 2: Average labor cost for the years ended December 31, 2020 and 2019 were NT$707 thousand and NT$749 thousand, respectively.

Note 3: Average salary and bonuses for the years ended December 31, 2020 and 2019 were NT$595 thousand and NT$636 thousand, respectively. The average salary and bonuses decreased by 6.32% 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