

**CATCHER TECHNOLOGY CO., LTD.**  
**2023 ANNUAL SHAREHOLDERS' MEETING MINUTES**  
(Translation)

**DISCLAIMER:**

For the convenience of readers, the procedure, agenda, attachments, resolutions, meeting minutes and appendix of CATCHER's Annual Shareholders' meeting have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

Date and time: May 30, 2023 at 10:00 a.m. (Tuesday)

Location of the Meeting: Silks Place Tainan (2F, No. 1, Heyi Rd., West Central Dist., Tainan City, Taiwan R.O.C.)

Total outstanding shares: 681,550,068 shares

Total shares represented by shareholders present in person or by proxy: 541,959,819 shares (including 406,372,460 shares attended through e-voting)

Percentage of shares held by shareholders present in person or by proxy: 79.51%

Total shares without voting rights: 32,917,000 shares

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

Participants: Shui-Sung Hung, Director

Wen-Che Tseng, Independent Director

Tsorng- Juu Liang, Independent Director

Ming-Yang Cheng, Independent Director

Shih-kuan Chen, Lawyer at TSAR&TSAI Law Firm

Hung-Ju Liao, CPA of Deloitte & Touche

Nai-Feng Hou, Spokesperson

Recorder: Yu-Fen Wang

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

A. Chairman's Address (omitted)

B. Reported Items

1. To report 2022 business report (Please refer to Attachment I).

Shareholder (account no. 317557) asked:

I would like to inquire about the operating performance of 1Q23 that was just released. I noticed there was an operating loss in 1Q23. The Chairman has mentioned earlier that the Company has been able to distribute cash dividends of at least NT\$10 per share consistently over the past seven years. I wonder if the Chairman will keep his promise continuing to pay cash dividends of at least NT\$10 this year considering the operating loss in 1Q23 and assuming the Company continues to make losses in its core business throughout the year.

Chairman answered:

Our sales revenue has bottomed out in 1Q23 and gradually picked up in 2Q23 recovering the momentum to the level of 4Q22. With sufficient cash, we will fulfill our commitments and we are confident to make a reasonable profit amid market fluctuations.

Shareholder (account no. 317560) asked:

I have two questions for the Chairman. First, what is the Company's current capacity utilization rate in China? Second, the Company made a very critical (and difficult) decision in 2020 to exit the smartphone business. Can the Chairman share with us your plans before (why divesting the business) and after (what to do without smartphones), as well as plans for diversification, particularly into the automotive and medical businesses? We are making this query because from our past investment experience, the automotive industry cycle is long, taking at least 3-5 years for component suppliers to establish a foothold and collaborate well with major car makers. I would like to get more colors about Catcher's plans/strategies in the first place, along with your adjustments afterword, and impact if any.

Chairman answered:

We made the divestment at the right time. It is never an easy task to process a deal, especially with such a sizable manufacturing facility in China; nevertheless, this is a great opportunity. In 2020, we engaged with McKinsey for consultancy of strategic planning and officially announced several projects. As per you've mentioned, the automotive industry is conservative with a very long life cycle. Certification and development of products take a long time, yet the product life cycle is long, too. Same rationale applies to the medical area, where regulations differ across countries and certification is a lengthy process. Medical products nevertheless enjoy a lifespan of 10-20 years. We made the decision for resource integration and the Company's long-term development; what we are looking for is the next 10-20 years. To leverage our core competencies, we started up from medical supplies and automotive parts, both which are relatively stable industries albeit the transition process is time-consuming. In 2022, there was a global economic turbulence. As we had been actively monitoring the situation, we didn't feel it right to take an immediate action, especially when we were venturing into new domains – cross-industry mergers are more challenging than mergers within the same industry. We prefer to take action only when we are confident in success; strategic investments like these are not easy to make and even harder to retract. In the midst of such an extensive transformation, we hope shareholders have a right understanding and appropriate expectations. The Company has maintained a steady dividend policy over years. With our commitments, cash in hand and profit-making capability, we have made our great efforts to create value for shareholders amid gigantic transformation and market uncertainties.

Shareholder (account no. 317560) asked:

The Chairman mentioned earlier that, strategically, the Company's existing capacity can't be used for future transformation. Does that mean the transformation will be accomplished through

mergers and acquisitions, and that the existing capacity, with low utilization rate, will be disposed of after the Company phases out its current businesses? Can the existing capacity be utilized for development in other areas? To what extent the transformation can be achieved by utilizing existing capacity and how much via mergers and acquisitions?

Chairman answered:

The smartphone business was sold as a whole, including the business and manufacturing facilities both. The Company operates a versatile platform; yet, different specifications and supplements are still required for different applications. We will continue to utilize the existing capacity to make automotive and medical related products. Nevertheless, bear in mind that product development and certification in these new areas take much longer time than the ITC industry.

2. To report 2022 Audit Committee's review report (Please refer to Attachment II)

(Inquiries from shareholders: none)

3. To report 2022 distribution of employees and directors' compensation (Please refer to Attachment III)

(Inquiries from shareholders: none)

4. To report execution of share buyback (Please refer to Attachment IV)

(Inquiries from shareholders: none)

5. To report distribution of 2022 profits

Explanatory Notes:

(1) In accordance with Article 18 of Catcher's Articles of Incorporation, the Board of Directors approved to distribute 2022 profits partly or all in cash, and report the distribution to the annual general shareholders' meeting.

(2) The total proposed cash dividends of NT\$ 6,803,640,680, equivalent to NT\$ 10 per share (rounded down to the nearest Dollar), was approved by the Board of Directors on April 18th, 2023. Please refer to Attachment V for the 2022 profits distribution table.

(3) The Chairman is authorized by the Board of Directors to determine the record date and payment date and other related matters. In the event that proposed earnings distribution is affected by a change in the number of outstanding shares, the Chairman is authorized to adjust the distribution amount per share based on the actual number of the outstanding shares on the record date.

(Inquiries from shareholders: none)

6. To explain the reasons why shareholders' proposal is not included in the agenda

Explanatory Notes:

(1) Shareholder Account No. 317560 and shareholder Account No. 317557 jointly proposed to amend partial wordings of Subparagraph 5, Paragraph 2 of Article 18, delete Paragraph 4

of Article 18 and add the date of amendment to the end of the Company's Articles of Incorporation.

- (2) The Board hosted a meeting on April 18, 2023 and rejected the proposal jointly presented by Shareholder Account No. 317560 and shareholder Account No. 317557 to be included in the AGM agenda, for the reasons as below:
- i. The proposal essentially relates two provisions: 1) the authorization of earnings distribution by cash, as stipulated in Paragraph 5, Article 240 of the Company Act (R.O.C.); 2) the authorization of distribution of legal reserve and capital reserve by cash, as stipulated in Paragraph 2, Article 241 of the Company Act (R.O.C.).
  - ii. The aforementioned provisions are not necessarily related because they deal with different objects on different conditions with different constituent elements, and are authorized for different reasons.

In accordance with Article 172-1 of the Company Act (R.O.C.), shareholder(s) holding 1% or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal. The proposal presented by Shareholder Account No. 317560 and shareholder Account No. 317557 contains TWO matters; therefore, it shall not be included in the AGM agenda.

Shareholder (account no. 26939) asked:

This is the Securities and Futures Investors Protection Center (SFIPC), dedicated to safeguarding shareholders' rights. In accordance with the relevant provisions of the Company Act, we believe the proposal raised by Vasanta Master Fund and Pagoda Street Limited should be considered as one single proposal, while Catcher's decision to reject the proposal considering there are two separate issues involved may potentially violate the Company Act. We thus request that going forward the Company comply with the provisions stipulated in Article 172-1 of the Company Act when handling relevant matters, in order to protect shareholders' right to propose at the AGM. We also request that the Company include the SFIPC's statement and its response in details in the AGM minutes.

Shareholder (account no. 317557) asked:

The proposal raised by shareholders for the AGM this year is mainly to revise Article 18 of the Company's Articles of Incorporation. Article 18 had been amended with several other articles including Articles 6, 13-4 and 18-1 in ONE proposal raised by the Company's Board of Directors for shareholders' approval at the AGM in 2019. Thus, the shareholders' proposal rejected by the Company is literally to modify one of the amendments made in 2019. Why has it now become two separate proposals? As a shareholder who defends his right to pursue dividends,

how should we present our proposal in a way that aligns with the Board of Directors' definition of a single proposal?

Shareholder (account no. 317560) asked:

Shareholders' proposals will be voted by all shareholders. However, the Company's Board of Directors is composed of the Company's major shareholders; hence, whether shareholders' proposals will be included in the AGM agenda remains a question. As a minority shareholder, from the corporate governance perspective, we greatly hope that the Company's Board of Directors respect our opinions and proposals and provide pertinent assistance.

Shareholder (account no. 349335) asked:

I have several questions for both the Company and its Board of Directors with regard to the shareholders' proposal. Referring to what the emcee mentioned earlier, the Company did not include the proposal into the AGM agenda considering that the proposal consists two issues proposed. Therefore, in accordance with the Company Act, the Company rejected the proposal. The SFIPC has just spoken for its inclination to believe there is one proposal rather than two; also to our understanding, the competent authority is currently investigating the case. Assuming the investigation finds and determines it is one proposal, and if the shareholders submit the same proposal next year, in compliance with all pertinent procedures/rules, will there be any other reasons/circumstances specified in Article 172-1 of the Company Act than the number of proposals, for which the Company rejected the proposal this year? I am asking because a comprehensive explanation, derived with detailed research and legal opinions, would have been provided in the AGM handbook if other reasons than the number of proposals were found. I am requesting for the Company's confirmation that the shareholders' proposal was rejected for only ONE reason.

Secondly, if the Company believes there are two proposals raised, while both the competent authority and the SFIPC consider it as ONE, will the Company have no reason to say NO if the same proposal is submitted again next year? With a high regard for Chairman Hung's efforts to the Company and his vision for the future, I am asking in a hope that the Company will provide a clear explanation. The Company has spent so much time this year and found only one reason to reject the proposal; if the reason is found legally untenable, can Chairman Hung make it clear, right here with the two shareholders sitting in front, that the Board of Directors will very likely approve the same proposal if it is submitted next year?

Chairman answered:

Lawyer Chen Shih-kuan please help reply this question.

Lawyer Chen's answered:

The Company has stated in the AGM handbook the reasons why the Board of Directors thinks there are actually two proposals raised. Let me provide some supplementary explanations to better address the shareholders' questions and our standpoint.

First, there are no laws and regulations stipulating how many items the Board of Directors shall propose to amend the articles of incorporation. Any amendments to the articles of incorporation, proposed by the Board of Directors and approved by the AGM, may contain either multiple items or one item only. It is subject to the content of the amendment rather than simply the number of agendas when determining exactly how many items are proposed and approved. Accordingly, it can't be argued that proposing to amend an article which had been previously amended along with other articles in ONE proposal is now equivalent to ONE proposal.

Second, there are strict limitations stipulated in Article 172-1 of the Company Act with regard to shareholders raising proposals; let me address from two aspects. If the proposal complies with the pertinent law, the Company shall include it in the AGM agenda; failing to do so will result in penalties. On the contrary, the Company shall not include a proposal not conforming to legal requirements in the AGM agenda, or it will violate Article 172-1 of the Company Act.

Third, referring to a previous interpretation by the Department of Commerce (under the Ministry of Economic Affairs, aka the competent authority), a proposal seeking to dismiss a company's majority of directors is considered as ONE proposal because the directors are dismissed all for the same matter. On the contrary, the proposal shall be considered as more than ONE when the directors are each dismissed for different reasons.

The two shareholders proposed for this AGM to amend the Company's Articles of Incorporation, which in our opinion involves: 1) Article 240 of the Company Act, which regulates the distribution of earnings, and 2) Article 241, which regulates distribution of legal and special reserves. The two clauses involve different sources of funds, including 1) earnings of the current year and 2) accumulated earnings recognized as a special item, and they are distributed in different ways – earnings of the current year may be distributed when the company makes profits, while legal reserve/special reserve can only be distributed when the company has no accumulated losses. The timing of distributing earnings and reserves is different, too. Earnings can be distributed multiple times or once a year in accordance with the Company Act, while legal/special reserves in accordance with Article 241 of the Company Act can only be distributed once a year. More importantly, distribution of legal reserve and distribution of earnings are not necessarily correlated.

In accordance with Article 240 and Article 241 of the Company Act, the Board of Directors is authorized to determine the dividend payout from both surplus profit and legal/special reserves. However, whether the authorization is simultaneously or separately granted is subject to shareholders' approval to amend the articles of incorporation; similarly, when it comes to abolishing the authorization, shareholders' approval to amend the articles of incorporation is also required.

Thus, the two shareholders' proposal to remove the Section 5 of Article 18 of the Company's Articles of Incorporation is to remove the provision prescribed in Article 240 of the Company Act authorizing the Board of Directors to distribute earnings, as well as the provision in Article 241 authorizing the Board of Director to distribute legal/special reserves. And the two authorizations are not necessarily correlated. In all, we recognize the proposal as containing two matters.

The Company considers the shareholders' proposal as containing two matters, thus including the proposal into the AGM agenda would be illegal by law. In our opinion, what the shareholders propose to amend is actually three provisions rather than one; we are not discussing the other two provisions here because they are inherently occurring along with amendment. In other words, as soon as the articles of incorporation are amended, the publication date would change, and so could the number of provisions in the articles of incorporation.

In conclusion, we believe that the proposal raised by shareholders to remove the Section 5 of Article 18 of the Company's Articles of Incorporation involves two different clauses, different sources of funds, different distribution procedures, different conditions of authorization, and different reasons. Therefore, we recognize the proposal as containing two matters.

Shareholder (account no. 349335) asked:

If the Company is fined by the competent authority because the reasons for rejecting the shareholders' proposal are deemed as unreasonable or illegal, and if the same proposal is raised again next year, will the Company promise to include it in the AGM agenda?

Chairman answered:

The Board of Directors resolves and makes decisions on all proposals in accordance with the pertinent laws and regulations.

#### C. Matters for Ratification

1. To accept 2022 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- (1) CATCHER's 2022 Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements were approved by the Board of Directors. The Financial

Statements were audited by independent auditors, Ms. Chi Chen Lee and Mr. Hung Ju Liao, of Deloitte & Touche and also reviewed by the Audit Committee. For the 2022 Business Report, independent auditors' report and aforementioned Financial Statements, please refer to Attachment I and Attachment VI.

- (2) Please accept the 2022 Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements.

(Inquiries from shareholders: none)

Voting Results:

Shares present at the time of voting: 541,959,819

Voting Results*	% of the total represented shares present
Votes in favor: 463,137,549 votes (334,855,112 votes)	85.45%
Votes against: 944,272 votes (944,272 votes)	N.A.
Invalid votes: 0 vote	N.A.
Votes abstained: 77,877,998 votes (70,573,076 votes)	N.A.

\*Including votes casted electronically (number in brackets)

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

2. To approve the proposal for distribution of 2022 profits (proposed by the Board of Directors)

Explanatory Notes:

The Company's 2022 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee. Please accept the proposal for distribution of 2022 profits. Please refer to Attachment V for the 2022 profits distribution table.

(Inquiries from shareholders: none)

Voting Results:

Shares present at the time of voting: 541,959,819

Voting Results*	% of the total represented shares present
Votes for: 464,988,328 votes (336,705,891 votes)	85.79%
Votes against: 1,044,039 votes (1,044,039 votes)	N.A.
Invalid votes: 0 vote	N.A.
Votes abstained: 75,927,452 votes (68,622,530 votes)	N.A.

\*Including votes casted electronically (number in brackets)

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

- D. Extempore Motions: None

(Inquiries from shareholders: none)

- E. Adjournment: The Shareholders' Meeting was adjourned at 10:53 a.m. on the same day.

(The minutes of 2023 annual shareholders' meeting recorded the key points of the meeting and only noted the voting results of each resolution or discussed item. The content and process of the meeting and the inquiries of shareholders should refer to the records and the videos of the meeting.)



# ATTACHMENT I

## 2022 Business Report

Dear Shareholders,

In the post-COVID era, 2022 appeared to be full of challenges for Catcher Technology (Catcher). With the pandemic easing, countries around the world are gradually reopening and restarting their economic cycles. On the other hand, uncertainties remain. The US-China disputes have intensified, the war between Russia and Ukraine has continued, extreme weather has repeatedly ravaged the earth, while the coronavirus still continues to mutate, all these changing manufacturing processes and consumption behaviors. The Zero-COVID policy and lockdowns in China have accelerated supply chain restructuring and de-globalization, aggravating inflation and force numerous countries to tighten their monetary policies. Amid tense financial conditions, the global economy is at more risk of recession.

The International Monetary Fund (IMF) predicts in its World Economic Outlook report that the global GDP will grow 3.4% in 2022; the momentum however is expected to slow down to 2.9% in 2023. The IMF has recently increased its GDP growth forecast for Taiwan to 3.3% in 2022, while lowering the estimate to 2.8% in 2023%. Taiwan's central bank also forecasts the domestic economy to grow 2.45% in 2022 while at a slower pace of 2.21% in 2023.

In 2022, Catcher's consolidated sales revenue reached NT\$27.821 billion, representing a year-on year decrease of 32.3%, attributed mainly to geopolitical turmoil, supply chain constraints, rising inflationary pressure, global economic downturn, and weak demand. In response to a rapidly changing environment, Catcher has been diversifying its product manufacturing and technology development, and exploring front-end applications that conform to new trends. In terms of material applications, the Company has continuously developed a variety of solutions. Operationally, it has been actively expanding into new markets and gaining new clients, while raising management flexibility in order to ease the impact from the pandemic and all kinds of uncertainties.

As a leading global brand providing total solutions for structured parts manufacturing, Catcher owns the most complete production matrix and the most solid customer base in the industry. The Company has since 2020 started to break into the new energy vehicle market; management is also optimistic about the future development of medical technology and the related

demand for medical supplies. Looking to 2023, Catcher will continue to grow the existing businesses by making use of its ample resources, while seeking investment opportunities and partners that meet the Company's long-term business goals both domestically and overseas, in order to branch out its footprint and accelerate expansions in such new areas as medtech. Despite the uncertainties associated with market movement and industry development, Catcher will continue to strengthen its competitiveness while widening the gap in differentiation between itself and peers by virtue of its accumulated diversified material applications, total solution techniques, innovative research and development, excellent manufacturing processes, leading automation capability, comprehensive vertical integration, best cost structure and scale of economies.

### Financial Performance

In 2022, Catcher Group's consolidated sales revenue reached NT\$27.821 billion. During the same period, its consolidated gross margin was 32%, consolidated net profit after tax was NT\$10.902 billion and basic earnings per share was NT\$15.14.

### Operational Results (Group)

Unit: Thousand NTD

Item	2022		2021	
	Amount	Percentage	Amount	Percentage
Sales revenue	27,820,529	100%	41,094,979	100%
Gross profit	8,866,897	32%	13,569,127	33%
Operating profit	4,968,798	18%	8,760,121	21%
Net profit before tax	16,543,047	59%	12,070,652	29%
Net profit after tax	10,902,179	39%	8,575,044	21%

### Profitability (Group)

Item		2022	2021
Return on assets (ROA)		5%	4%
Return on equity (ROE)		7%	6%
Ratio to paid-in capital	Operating profit	70%	115%
	Net profit before tax	232%	158%
Net profit margin		39%	21%
Earnings per share (NT\$, basic)		15.14	11.31

## Industry Trend and Outlook

Among the existing materials and production methods for making structured parts, metal provides optimum structure, strength, and complete protection. Applied to mid- to high-end products, metal structured parts own various properties, including the most complete supply chain, capacity for mass production and cost advantage. Metal products can be made with a variety of methods, such as die casting, stamping, forging and unibody. Products made with unibody casting provides not only fashionable and high-end textures, but also such features as light-weight, simplicity and solidness as compared to other materials. Waste metals can also be recycled and reused, making it a crucial part for energy transition. From the aspects of material applications, designing and production methods, the develop ability of structured parts increases upon taking account the huge capacity demand coming along with mass production.

The pandemic has accelerated digital transition. Rising demand from various brands for high frequency transmission and high performance computing has increased the complexity of mobile device cooling and the design for enclosure cases as well as structured parts. In response to customers' pursuit of innovation and requirement for advanced specification, structured parts manufacturers must constantly develop new techniques for surface treatment. Enclosure case design is becoming harder, more complex and highly customized, also presenting both challenges and business opportunities for structured parts manufacturers.

As the global population ages, the demand for medical care continues to rise; in response countries are seeking more effective solutions by promoting the development of such technologies as precision medicine and digital health as well as related policies. By accelerating the development of advanced medtech, the efficiency of medical care will be improved and healthy life expectancy will be extended. At the same time, the outbreak of COVID-19 has structurally changed the landscape of the global medical supplies industry as well as related demand.

Estimated by the Industrial Technology Research Institute, the global medical supplies industry is expected to grow at a compound annual rate of around 5.6% in 2020-2023, leading to a market size of US\$475.3 billion in 2022 and US\$491.4 billion in 2023. The medical supplies industry has such features as interdisciplinary, cross-technology as well as "small volume, large variety". Its mainstream products are increasingly refined along with changes in disease patterns, R&D progress, and development of medical technology. Medical supplies manufacturing is highly integrated, applying various materials (including polymer plastics, chemicals and metal hardwares), producing with a wide range of processes (such as optoelectronics, mechanical and electrical engineering, machining, electronics, and semiconductor), and concluding with safety

inspections, testing and sterilization. It is a combination of materials, precision manufacturing, and related industry participants; this also suggests a great potential for Taiwanese manufacturers who have been playing a critical role in the global supply chain. Taiwan's industrial development has evolved from traditional manufacturing, plastics and chemicals in the early days to the high-tech fields such as electronics components and semiconductors currently. Once resources can be fully integrated through the whole supply chain, with demand for new technologies introduced and core competencies of different industries consolidated, Taiwan should be ready in making high-end medical supplies.

The world is paying more attention to climate change and net-zero carbon emissions. With government subsidies and aggressive development by automakers, as well as key technology issues such as charging equipment and the battery efficiency being resolved, the global sales of new energy vehicles are growing rapidly. In accordance with LMC Automotive and EV-Volumes.com, the global sales of pure electric vehicles reached 7.8 million in 2022, representing an annual increase of nearly 70% and accounting for around 10% of total new cars sold. The International Energy Agency (IEA) estimates that global electric vehicle sales will reach 145 million by 2030, equivalent to a compound annual growth of 30% and a penetration rate of 30%. In the medium to long term, under policy guidance, new energy vehicles will become the main growth driver for the automotive industry, suggesting a promising outlook for related sub-segments and supply chains.

## **Operating Strategies**

For many years, Catcher has made large-scale investment in automation in order to reduce labor requirement, enhance productivity and quality, and improve production stability while reserving capacity for future expansion. Despite leading the industry already, automation remains one of Catcher's important future projects. Catcher also continues to expand the applications of its core products and technologies, enlarge its customer base, and strengthen employee capabilities through various methods such as job training, inter-department transfers, seminars, and online learning classes; this helps optimize the reserve of human capital while laying a solid ground for the Company's long-term development.

While actively striving towards its business goals, Catcher is also implementing corporate social responsibility and sustainable management principles. The Company has long been engaged in the ESG field. In addition to establishing the Sustainable Development Office, the Company regularly conducts analysis and risk assessment on material issues related to sustainable

development, and stipulates related goals and policies based on the analysis and assessment results, in an effort to strengthen its communication with stakeholders. In addition to publishing the ESG Report, Catcher is also actively engaged in the green energy development, promoting examination of greenhouse gas inventories, and setting goals for energy conservation and carbon reduction to fulfill its environmental responsibilities. In terms of social participation, in addition to participating in social welfare activities and paying attention to education and related issues, Catcher also sponsors various sport events and received sports enterprise certification. During the pandemic, the Company continued to provide various supplies for emergency and epidemic prevention to medical institutions and social welfare groups to weather the difficulties together. Catcher also stipulated the Corporate Governance Best Practice Principles and established a corporate governance supervisor in 2021, dedicated to improving the Company's corporate governance structure, promoting related actions, and strengthening the depth of governance in line with the Sustainable Development Roadmap.

## **Production and Marketing Strategies**

Looking ahead to the future development of the metal structured parts market, the design of consumer electronics such as notebook PCs will remain thin and light; the 5G application accelerates data transmission and thus stimulates the development of wearable devices; in response to the increasing power consumption of onboard systems, structured parts and components are increasingly made of lightweight materials and optimized with lightweight structural design. To sum up, lightweight and thin design remain the key trend for both consumer and non-consumer electronics products. In the meantime, with major brands gradually raising their mid- to high-end product specifications, the penetration of high-end metal casings or composite designs will continue to rise.

Having developed composite materials for years, Catcher is able to provide the most diverse materials and manufacturing processes in the market. Leveraging its core competencies in material science, precision manufacturing, and surface treatment, together with such capabilities as high degree of customization, best execution, and mass production, Catcher has managed to effectively satisfy increasingly varied customer needs (for different metals or different specifications), with its products conforming to the trend of diverse, lightweight, and fashionable design concepts.

Catcher has accumulated abundant experience in production management thanks to years of large-scale investment in automation, and such competency outpaces most peers. Constant development in automation remains a key to Catcher's manufacturing process, aimed at enhancing

production stability, productivity and quality. To strengthen its future growth momentum, Catcher has also continuously optimized its human resources, reserved R&D capabilities, and expanded applications of core technologies.

Looking into 2023, Catcher will continue to adjust its manufacturing facilities between Taiwan and China. The Company ranks among the world's top three in terms of production capacity for structured parts, also the only Taiwanese firm maintaining a considerable scale of local production. By managing its capacities cross the Taiwan Strait, Catcher owns great flexibility to respond to customers' diverse needs; this also helps reduce the potential risks arising from market and operating environment changes caused by a centralized single plant.

## **Research and Development**

To maintain its leading position in the industry, Catcher is constantly expanding the applications of different materials, composites, and materials of high strength, high resilience, low electromagnetic shielding, as well as high radio frequency, thereby advancing its technology levels and moving towards smart production. Catcher has been engaged in basic material science, surface physics, and chemical processing for many years. It has developed a wide range of products and techniques with high precision, high added-value and availability for mass production, by using different materials in different molding processes, coupled with diversified secondary processing and surface treatment. The Company has since 2018 gradually established its technological capacities for developing automotive and medtech products through participating in external exhibitions and data collection; it also worked with existing customers to develop and manufacture related products. In recent years, by participating in a number of university-level industry-academia alliances in Taiwan, Catcher has been able to launch a few new projects and established a technical platform for medical supplies, in a bid to achieve local development and production while adding value to MIT products.

As a world-class light metal casing manufacturer, Catcher continues to move toward high-end, distinctiveness and differentiation. The Company's R&D covers numerous areas, including 1) enclosure cases and structured parts made of special magnesium alloy, aluminum alloy, stainless steel, carbon (glass) fiber, plastics, powder as well as other metals; 2) laser engraving/seamless welding technology, metal/plastic unibody injection molding technology, etching/multi-color process with anodizing process technology, high-precision extrusion technology for large metal enclosure cases, carbon fiber composite sheets, and memory alloys with super elasticity. The Company also leverages its existing technologies to actively develop

other niche products so as to diversify its product portfolio.

Whether it is an existing order for ITC products or new orders for automotive parts and medical supplies, Catcher's R&D team collaborates with customers from the design stage to accurately understand their expectations during the development/manufacturing process. The Company on the one hand develops special processes and technologies to perfectly integrate with existing ones; in the meantime, various materials and manufacturing processes are mixed and combined with the unibody method to manufacture products with special surfaces and high-quality textures that meet customers' diverse requirements.

### **Measures in Response to Environmental Changes such as External Competition, Regulatory Shifts, and Management in General**

The ICT industry is attracting more newcomers as technologies are growing exponentially and new products are constantly launched. This has intensified competition and added pressure to operations. Catcher has since 2020 diversified into the non-consumer electronics business, a completely new area, aiming to diversify both products and customers. To maintain a leading position in the industry, Catcher closely watches and studies the changes in market trends and pertinent technologies as well as manufacturing processes for components made of various materials. In the basic material science area, the Company also constantly enhances its molding, processing, and surface treatment capabilities to advance both technical level and management efficiency, thereby diversifying and advancing its products. With excellent manufacturing technologies and huge production capacity, Catcher will continue to provide high-quality services to customers, in order to strengthen long-term relationships of both parties while securing stable sources of profit.

Catcher upholds the business philosophy of integrity and strictly adheres to relevant laws and regulations as well as the Supplier Code of Conduct of international customers. The Company also closely monitors the development of major legal and policy issues in finance, environmental protection and of social aspects, and stipulates related management procedures and internal audit standards based on the development to protect its reputation while preventing illegal activities from affecting its operations.

In recent years, the concept of sustainable development has swept across the globe, and countries have successively promoted green and environmentally-friendly laws related to electronics products. Major brand manufacturers have not only fulfilled their existing

commitments, but also formulated high standards and strict requirements for all suppliers to follow. Catcher continues to promote green processes to meet regulatory requirements and global trends. In the face of regulatory changes, the Company will closely monitor, continuously update, and effectively comply with the rules to reduce operational risks. The overall business environment is becoming increasingly complex, and the degree of change and volatility is even more difficult to predict and grasp. When evaluating and formulating various business and investment plans, Catcher will be more cautious in considering industry conditions and observing economic trends to select the best strategy.

## **Business Objectives**

Catcher has since 2020 entered the non-consumer electronics area, expanding its business focus from notebook PCs, tablets, and wearable devices to automotive parts and medical supplies, in an aim to build a diversified portfolio of products and customers. Looking forward, the Company will continue to develop new products and explore new customers as well as investment opportunities, with the ultimate goal of balancing sources of revenues while reducing reliance on a single customer.

In the initial stage of transformation, notebook PCs and other consumer electronics products will continue to drive Catcher's revenue momentum. In accordance with the Intelligence & Consulting Institute (MIC), the stay-at-home economy has subsided while shipment of IT hardware products is gradually recovering and returning to the pre-pandemic levels. The MIC forecasts the global notebook PC shipment will drop 20% to 199 million units in 2022, and decline further in 2023 considering weak consumer end-demand and slow inventory destocking amid geopolitical turmoil, rising inflationary pressure, global interest rate hikes and economic downturn. Accordingly, the overall situation is unlikely to improve until the conventional peak season in the second half of the year.

In the face of the supply chain disruptions, the Company has made business diversification and stabilization of profits its two main objectives for now. As a leading manufacturer of enclosure cases and structured parts, Catcher has been able to offer comprehensive solutions to meet customers' needs and maintain its competitive advantages in the structured parts industry, with its extensive knowledge about various materials, core technologies, precision manufacturing capabilities, and abundant experience in customized designs.

After years of operations, Catcher has accumulated sufficient expertise in material science



and precision manufacturing, the core techniques required to make high-end medical supplies. Catcher established Catcher Medtech Co., Ltd. in 2021 as an integrated platform for operations and investment management, while collaborating with the Industrial Technology Research Institute to develop a minimally invasive surgery system. To ensure itself prepared, the Company also obtained ISO 13485 certification for Medical Devices Quality Management Systems in late 2021. In addition, through strategic investments in startup medtech teams and those with strong presence in the related fields, Catcher has been able to know more about the industry trend and direction of future development, while gradually raising its publicity in the medical supply ecosystem. Going forward, Catcher will continue to adopt the multi-faceted approach to the medtech business; by leveraging its strengths in material science and manufacturing, the Company hopes to work with major global brands while continuously seeking M&A targets and partners both domestically and overseas.

The global political and economic environment is changing drastically. Catcher keeps its cash position while releasing excess production capacity to maintain flexibility and resilience amid supply chain chaos. The Company proves itself to be fearless in the face of strong US dollar and rate hike cycles; now in the transforming stage, it also has a great potential for strategic development. Industry experts generally believe that inventory adjustments in the supply chain will likely improve in the second quarter, with recoveries expected to arrive in the second half of the year. In addition to adjusting the pace of production while lowering the cost of waste material, considering persistent uncertainties, Catcher's first priority at current stage is to stabilize its profitability through continuously increasing its mid- to high-end product exposure along with strict cost control. Facing supply chain restructuring, Catcher must carefully evaluate its plans of either plant expansion or global relocation. With a clear outlook, the Company will make investment in adding new production capacity to satisfy customers' needs. In the mid to long run, new businesses/new products/new customers are expected gradually generate material contributions. By utilizing the group's ample resources accumulated for years, the Company will continue to seek investment opportunities and M&A targets for long-term development, in an effort to compose a total solution and integrated platform that would help Catcher build an ecosystem and its core competency in the new business areas.

As a leading brand that offers comprehensive structured parts solutions, Catcher upholds a philosophy of "technological innovation, customer engagement, ethical management, and corporate sustainability". The Company commits itself to product development, business optimization, technology enhancement and cost structure improvement, striving for diversification

on the way of transformation. Regardless of an ever-changing business environment, Catcher insists on adopting such strategies as “making good use of resources, developing proactively, thinking globally and managing sustainably”, in a hope to create a maximum value for its customers, shareholders, and employees.

Chairman Shui-Shu Hung



## **ATTACHMENT II**

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

The Board of Directors has prepared the Company's 2022 Financial Statements, Business Report and Earning Distribution Statement. Independent auditors, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The Business Report, Financial Statements and Earning Distribution Statement have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Catcher Technology Co., Ltd.

Audit Committee

Convener:



April 18, 2023

## ATTACHMENT III

### Distribution of Employees and Directors' Compensation

On February 23, 2023, the Board of Directors resolved the distribution of compensation for employees and directors:

Item	Proposed amount
Compensation for Directors	NTD\$ 18,200,000
Compensation for Employees	NTD\$ 155,823,341

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

## ATTACHMENT IV

### Execution of Share Buyback

Batch of Buyback	Fourth	Fifth
<b>Plan</b>		
Date of the Board's resolution	2022/04/06	2023/01/31
Purpose of the buyback	To maintain the Company's credit and shareholders' equity	To maintain the Company's credit and shareholders' equity
Scheduled period for the purchase	2022/04/07 ~ 2022/06/06	2023/02/01 ~ 2023/03/31
Purchase price range	NTD\$102.20~NTD\$220.50	NTD\$124.60~ NTD\$262.50
No. of shares to be purchased	25,000,000 shares	36,000,000 shares
Shares to be purchased as a percentage of total issued shares of the Company	3.43%	5.04%
Maximum purchase amount (NTD)	4,100,000,000	9,000,000,000

<b>Execution Outcome</b>		
Purchase period	2022/04/07 ~ 2022/05/30	2023/02/01 ~ 2023/03/31
Shares purchased	15,286,000 shares	34,103,000 shares
Shares purchased as a percentage of total issued shares of the Company	2.09%	4.77%
Amount purchased (NTD)	2,307,209,000	6,366,835,204
Average purchase price (NTD/share)	150.94	186.69
Achievement rate	61.14%	94.73%
Status of the buybacks that have been reported but not yet completed	To secure shareholders' interests, share repurchase will be executed in separate batches depending on market conditions. Therefore, the announced share repurchase plan has not been fully executed.	To achieve the objective of securing shareholders' interests, the share repurchase will be executed in separate batches depending on market conditions. Although the announced share buyback plan was not fully executed, the execution rate reached 94.73%.
Latest Update (Registration changed within six months after the buyback)	2022/08/29 Serial No. 11101168650 Registration change completed	Registration change in process

## ATTACHMENT V

### Distribution of 2022 Profits

Unit: NTD

Retained Earnings at the beginning of this period	\$97,565,726,776
Profits for current year	\$10,902,179,274
Retained earnings adjusted for investment accounted for using equity method	(355,397)
Retained earnings debited for disposal (or retirement) of treasury shares	(5,692,625,753)
Dispose of equity investments at fair value through other comprehensive income, with the accumulated gains or losses directly transferred to retained earnings	28,777,191
Profits for current year plus items other than profits for current year added to retained earnings for current year	5,237,975,315
Minus: legal reserve	(523,797,532)
Plus: reversal of special reserve	14,716,983,116
Retained earnings available for distribution	\$116,996,887,675
Items for distribution:	
Cash dividends (NTD 10 per share)	(6,803,640,680)
Retained earnings at the end of this period	\$110,193,246,995

- (1) On November 9, 2022 the Board resolved not to distribute earnings for the first half of the year and to maintain dividend distribution on annual basis.
- (2) The cash dividend will be rounded till dollar. All cash dividend less than one dollar will be transferred into other revenues of the Company (or booked as part of shareholders' equity).

## ATTACHMENT VI

### Independent Auditors' Report

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

#### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Due to the needs of some sales customers, the Company places inventory in the shipping warehouses designated by the sales customers. The recognition of sales revenue is based on the reports provided by the customers' designated warehouse custodians, which were checked by the dedicated personnel of the Company. Since shipping warehouses are not directly managed by the Company and the recognition of sales revenue involves manual

processing, we considered the authenticity of the sales related to the shipping warehouses a key audit matter for this year.

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

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

### **Other Matters**

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, as of and for the year ended December 31, 2022 and 2021. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors. Our opinion, insofar as it relates to the related amounts included herein is based solely on the reports by other auditors.

The total investment in these investees accounted for using the equity method was NT\$1,978,253 thousand, accounting for 0.85% of total assets as of December 31, 2022, and it was NT\$6,628,626 thousand, accounting for 2.76% of total assets as of December 31, 2021. The amount of the Company's share of profit of such associates was -NT\$220,590 thousand, accounting for -1.78% of the Company's profit before income tax for the year ended December 31, 2022, and it was NT\$44,708 thousand, accounting for 0.48% of the Company's profit before income tax for the year ended December 31, 2021. The amount of the Company's share of comprehensive income of such associates was -NT\$218,131 thousand, accounting for -0.85% of the Company's comprehensive income for the year ended December 31, 2022, and it was NT\$115,737 thousand, accounting for 1.93% of the Company's comprehensive income for the year ended December 31, 2021.

### **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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

#### Notice to Readers

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

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 57,529,369	24	\$ 53,115,285	22
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	189,736	-	3,967,937	2
Financial at fair value through other comprehensive income - current (Notes 4 and 8)	143,609	-	1,870,987	1
Financial assets at amortized cost - current (Notes 4, 9 and 33)	116,953,536	49	122,046,739	49
Trade receivables (Notes 4, 11 and 25)	9,564,795	4	9,665,413	4
Other receivables (Notes 4 and 11)	843,330	-	503,406	-
Current tax assets (Notes 4 and 27)	52,278	-	425,494	-
Inventories (Notes 4, 5, 12 and 34)	3,392,456	1	3,316,762	1
Other current assets (Note 19)	309,385	-	406,109	-
Total current assets	<u>188,978,494</u>	<u>78</u>	<u>195,318,132</u>	<u>79</u>
<b>NON-CURRENT ASSETS</b>				
Financial at fair value through profit or loss - non-current (Notes 4 and 7)	1,298,244	1	958,795	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	3,509,701	2	5,430,345	2
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,738,655	11	21,891,382	9
Investments accounted for using the equity method (Notes 4 and 14)	2,181,179	1	8,050	-
Property, plant and equipment (Notes 4, 15 and 34)	14,338,395	6	17,868,347	7
Right-of-use assets (Notes 4 and 16)	999,332	-	1,016,568	1
Investment properties (Notes 4 and 17)	953,276	-	221,565	-
Intangible assets (Notes 4 and 18)	22,707	-	57,707	-
Deferred tax assets (Notes 4 and 27)	3,440,126	1	4,058,919	2
Other non-current assets (Note 19)	102,581	-	72,993	-
Total non-current assets	<u>52,584,196</u>	<u>22</u>	<u>51,584,671</u>	<u>21</u>
<b>TOTAL</b>	<u>\$ 241,562,690</u>	<u>100</u>	<u>\$ 246,902,803</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 20)	\$ 56,696,000	24	\$ 78,031,726	32
Contract liabilities - current (Notes 4 and 25)	42,803	-	32,742	-
Trade payables (Note 21)	2,720,459	1	3,465,780	1
Other payables (Note 22)	5,686,595	2	5,983,148	2
Current tax liabilities (Notes 4 and 27)	3,183,772	1	309,608	-
Lease liabilities - current (Notes 4 and 16)	5,923	-	13,168	-
Other current liabilities (Note 22)	856,684	-	1,396,923	1
Total current liabilities	<u>69,192,236</u>	<u>28</u>	<u>89,233,095</u>	<u>36</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4, 5 and 27)	6,424,940	3	6,100,759	3
Lease liabilities - non-current (Notes 4 and 16)	126,297	-	126,873	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	6,569	-	6,578	-
Other non-current liabilities (Note 22)	10,036	-	8,776	-
Total non-current liabilities	<u>6,567,842</u>	<u>3</u>	<u>6,242,986</u>	<u>3</u>
Total liabilities	<u>75,760,078</u>	<u>31</u>	<u>95,476,081</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)</b>				
Share capital - ordinary shares	7,144,671	3	7,616,181	3
Capital surplus	18,771,534	8	20,008,824	8
Retained earnings				
Legal reserve	22,354,680	9	21,497,294	8
Special reserve	16,961,466	7	14,394,310	6
Unappropriated earnings	102,803,702	43	108,287,799	44
Total retained earnings	142,119,848	59	144,179,403	58
Other equity	(2,244,484)	(1)	(16,961,466)	(7)
Treasure shares	-	-	(3,465,809)	(1)
Total equity attributable to owners of the Company	165,791,569	69	151,377,133	61
<b>NON-CONTROLLING INTERESTS</b>	11,043	-	49,589	-
Total equity	<u>165,802,612</u>	<u>69</u>	<u>151,426,722</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 241,562,690</u>	<u>100</u>	<u>\$ 246,902,803</u>	<u>100</u>

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

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 25)	\$ 27,820,529	100	\$ 41,094,979	100
OPERATING COSTS (Notes 12, 23 and 26)	<u>18,953,632</u>	<u>68</u>	<u>27,525,852</u>	<u>67</u>
GROSS PROFIT	<u>8,866,897</u>	<u>32</u>	<u>13,569,127</u>	<u>33</u>
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	374,384	1	412,142	1
General and administrative expenses	2,080,795	8	2,714,528	7
Research and development expenses	1,494,209	5	1,682,336	4
Expected credit gain	<u>(51,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>3,898,099</u>	<u>14</u>	<u>4,809,006</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>4,968,798</u>	<u>18</u>	<u>8,760,121</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 14, 26 and 29)				
Interest income	4,313,238	15	822,797	2
Other income	1,088,373	4	2,207,343	5
Foreign exchange gains (losses), net	8,200,548	30	(2,428,032)	(6)
Other losses (gains)	(1,321,555)	(5)	3,194,966	8
Interest expense	(704,063)	(3)	(483,010)	(1)
Expected credit loss	(76,671)	-	-	-
Share of profit or loss of associates	<u>74,379</u>	<u>-</u>	<u>(3,533)</u>	<u>-</u>
Total non-operating income and expenses	<u>11,574,249</u>	<u>41</u>	<u>3,310,531</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	16,543,047	59	12,070,652	29
INCOME TAX EXPENSE (Notes 4, 27 and 29)	<u>5,646,809</u>	<u>20</u>	<u>3,474,369</u>	<u>8</u>
NET PROFIT	<u>10,896,238</u>	<u>39</u>	<u>8,596,283</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(31,564)	-	5,617	-

(Continued)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 14,861,927	53	\$ (2,534,112)	(6)
Unrealized gain (loss) on investment in debt instrument at fair value through other comprehensive income	<u>(80,051)</u>	<u>-</u>	<u>(41,301)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>14,750,312</u>	<u>53</u>	<u>(2,569,796)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 25,646,550</u>	<u>92</u>	<u>\$ 6,026,487</u>	<u>15</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,902,179	39	\$ 8,575,044	21
Non-controlling interests	<u>(5,941)</u>	<u>-</u>	<u>21,239</u>	<u>-</u>
	<u>\$ 10,896,238</u>	<u>39</u>	<u>\$ 8,596,283</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 25,647,939	92	\$ 6,006,701	15
Non-controlling interests	<u>(1,389)</u>	<u>-</u>	<u>19,786</u>	<u>-</u>
	<u>\$ 25,646,550</u>	<u>92</u>	<u>\$ 6,026,487</u>	<u>15</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 15.14</u>		<u>\$ 11.31</u>	
Diluted	<u>\$ 15.11</u>		<u>\$ 11.24</u>	

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

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

(Concluded)

## CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2022 AND 2021 (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, 2021	\$ 7,616,181	\$ 20,008,231	\$ 19,532,131	\$ 12,188,506	\$ 113,024,326	\$ (14,326,474)	\$ (67,836)	\$ (14,394,310)	\$ -	\$ 157,975,065	\$ 96,537	\$ 158,071,602
Appropriation of the 2020 earnings (Note 24)												
Legal reserve	-	-	1,965,163	-	(1,965,163)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,205,804	(2,205,804)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 120%	-	-	-	-	(9,139,417)	-	-	-	-	(9,139,417)	-	(9,139,417)
Overdue unclaimed dividends of shareholders	-	593	-	-	-	-	-	-	-	593	-	593
Net profit for the year ended December 31, 2021	-	-	-	-	8,575,044	-	-	-	-	8,575,044	21,239	8,596,283
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,532,659)	(35,684)	(2,568,343)	-	(2,568,343)	(1,453)	(2,569,796)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	8,575,044	(2,532,659)	(35,684)	(2,568,343)	-	6,006,701	19,786	6,026,487
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,187)	-	1,187	1,187	-	-	-	-
Buy back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(3,465,809)	(3,465,809)	-	(3,465,809)
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(66,734)	(66,734)
BALANCE AT DECEMBER 31, 2021	7,616,181	20,008,824	21,497,294	14,394,310	108,287,799	(16,859,133)	(102,333)	(16,961,466)	(3,465,809)	151,377,133	49,589	151,426,722
Appropriation of the 2021 earnings (Note 24)												
Legal reserve	-	-	857,386	-	(857,386)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,567,156	(2,567,156)	-	-	-	-	-	-	-
Cash dividends distributed by the Company - 100%	-	-	-	-	(7,297,531)	-	-	-	-	(7,297,531)	-	(7,297,531)
Changes from investments in associates accounted for using the equity method	-	-	-	-	(355)	-	-	-	-	(355)	-	(355)
Overdue unclaimed dividends of shareholders	-	1,192	-	-	-	-	-	-	-	1,192	-	1,192
Net profit for the year ended December 31, 2022	-	-	-	-	10,902,179	-	-	-	-	10,902,179	(5,941)	10,896,238
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	-	14,857,375	(111,615)	14,745,760	-	14,745,760	4,552	14,750,312
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,902,179	14,857,375	(111,615)	14,745,760	-	25,647,939	(1,389)	25,646,550
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	28,778	-	(28,778)	(28,778)	-	-	-	-
Buy-back of ordinary shares (Note 24)	-	-	-	-	-	-	-	-	(3,936,809)	(3,936,809)	-	(3,936,809)
Cancellation of treasury shares (Note 24)	(471,510)	(1,238,482)	-	-	(5,692,626)	-	-	-	7,402,618	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(37,157)	(37,157)
BALANCE AT DECEMBER 31, 2022	<u>\$ 7,144,671</u>	<u>\$ 18,771,534</u>	<u>\$ 22,354,680</u>	<u>\$ 16,961,466</u>	<u>\$ 102,803,702</u>	<u>\$ (2,001,758)</u>	<u>\$ (242,726)</u>	<u>\$ (2,244,484)</u>	<u>\$ -</u>	<u>\$ 165,791,569</u>	<u>\$ 11,043</u>	<u>\$ 165,802,612</u>

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

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

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 16,543,047	\$ 12,070,652
Adjustments for:		
Depreciation expense	3,406,043	4,861,668
Amortization expense	44,388	56,971
Expected credit loss	25,382	-
Net loss (gain) on financial instruments at fair value through profit or loss	1,207,127	(385,336)
Interest expense	704,063	483,010
Net loss on disposal of financial assets	175,820	324
Interest income	(4,313,238)	(822,797)
Dividend income	(102,502)	(79,490)
Share of (profit) loss of associates	(74,379)	3,533
Gain on disposal of property, plant and equipment	(329,781)	(394,635)
Loss (gain) on disposal of subsidiaries	9,883	(2,782,368)
Unrealized gain on foreign currency exchange	(347,739)	(511,224)
Changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables	236,172	7,537,771
Other receivables	49,507	63,608
Inventories	202,771	2,701,094
Other current assets	(7,651)	(52,196)
Contract liabilities	10,061	43,815
Trade payables	(788,137)	(4,195,540)
Other payables	(924,971)	(874,837)
Other current liabilities	(634,129)	(917,308)
Net defined benefit liabilities	(9)	20
Other non-current liabilities	-	(10)
Cash generated from operations	15,091,728	16,806,746
Dividends received	100,622	79,490
Income tax paid	(1,543,304)	(7,360,949)
Net cash generated from operating activities	13,649,046	9,525,287
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(813,285)	(7,098,239)
Proceeds from sale of financial at fair value through other comprehensive income	3,341,771	368,687
Purchase of financial assets at amortized cost	(329,729,105)	(381,385,262)
Proceeds from sale of financial assets at amortized cost	338,139,804	325,065,955
Purchase of financial assets at fair value through profit or loss	(7,283,270)	(10,130,371)
Proceeds from disposals of financial assets at fair value through profit or loss	9,225,397	5,742,348
Net cash inflow on disposal of subsidiaries (Note 29)	-	5,014,762
Payments for property, plant and equipment	(468,951)	(981,815)
Proceeds from disposal of property, plant and equipment	478,102	422,523

(Continued)

# CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2022	2021
Increase in refundable deposits	\$ (13,357)	\$ (44,113)
Decrease in refundable deposits	2,330	61,102
Payments for intangible assets	-	(34,996)
Payments for investment properties	-	(410)
Interest received	3,608,787	737,013
Dividends received from associates	<u>110,624</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>16,598,847</u>	<u>(62,262,816)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	406,059,178	321,126,452
Repayments of short-term borrowings	(427,394,904)	(313,560,452)
Proceeds from guarantee deposits received	22,909	16,153
Refunds of guarantee deposits received	(14,888)	(13,949)
Repayment of the principal portion of lease liabilities	(13,286)	(15,325)
Cash dividends paid	(7,297,490)	(9,139,417)
Payments for buy-back of ordinary shares	(3,981,444)	(3,421,174)
Interest paid	(694,572)	(478,630)
Decrease in non-controlling interests	(37,157)	(66,734)
Proceeds from unclaimed dividends	<u>1,192</u>	<u>593</u>
Net cash used in financing activities	<u>(33,350,462)</u>	<u>(5,552,483)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>7,516,653</u>	<u>(477,684)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,414,084	(58,767,696)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>53,115,285</u>	<u>111,882,981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 57,529,369</u>	<u>\$ 53,115,285</u>

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

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

(Concluded)



# **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, 2022 and 2021, 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, based on our audits and the report of other auditors (please refer to the Other Matters paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 audits 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. 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 based on our audits and the report of other auditors.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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, 2022 is as follows:

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

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

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

### **Other Matters**

We have also audited the parent company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified opinion with Other Matters paragraph.

We did not audit the financial statements of some subsidiaries included in the consolidated financial statements of the Group and the financial statements of some subsidiaries accounted for using the equity method as of and for the years ended December 31, 2022 and 2021, and the financial statements of some investees as of and for the year ended December 31, 2022; these financial statements were audited by other auditors.

Our opinion, insofar as it relates to the amounts included for the aforementioned subsidiaries and the investments by investees accounted for using the equity method, as well as the share of profit of such associates accounted for using the equity method, are based solely on the reports by other auditors.

The total asset of the aforementioned subsidiaries was NT\$1,533,669 thousand, accounting for 0.63% of consolidated total assets as of December 31, 2022, and NT\$6,669,132 thousand, accounting for 2.7% of consolidated total assets as of December 31, 2021. The total comprehensive income was –NT\$257,431 thousand, accounting for -1% of consolidated total comprehensive income for the year ended December 31, 2022, and NT\$115,737 thousand, accounting for 1.92% of consolidated total comprehensive income for the year ended December 31, 2021.

### **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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

Notice to Readers

*The accompanying 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.

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

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

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

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

# CATCHER TECHNOLOGY CO., LTD.

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

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

(Continued)

# CATCHER TECHNOLOGY CO., LTD.

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

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

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

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

(Concluded)



# CATCHER TECHNOLOGY CO., LTD.

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

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

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

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

# CATCHER TECHNOLOGY CO., LTD.

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

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

(Continued)

## CATCHER TECHNOLOGY CO., LTD.

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

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

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

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

(Concluded)

**DISCLAIMER:**

**CATCHER's Articles of Incorporation have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.**