

Catcher Technology Co., Ltd.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent company only financial statements of Catcher Technology Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023, December 31, 2022, and January 1, 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023, December 31, 2022, and January 1, 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2023 is as follows:

Due to the sales amount changed largely or with other specific characteristics of specific customers, we considered the materiality of this to the parent company only financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition

and thus deemed the authenticity of revenue recognition from the customers as a key audit matter.

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

1. We obtained an understanding and tested the effectiveness of the design and implementation of the main internal control related to the sales revenue of the specific customers.
2. We selected appropriate samples from the subsidiary ledger of sales of the customers mentioned above, and we verified the occurrence of the sales and checked the documents and payment status related to the sales revenue. We also checked for any anomalies existing in the sales counterparties and the payment recipients.

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, as of and for the years ended December 31, 2023 and 2022, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for some investees accounted for using the equity method, the share of profit of subsidiaries and associates, and the amount of comprehensive income of subsidiaries and associates, is based solely on the reports of other auditors. The total investments in these investees accounted for using the equity method were NT\$3,670,650 thousand and NT\$1,978,253 thousand, accounting for 1.5% and 0.85% of total assets as of December 31, 2023 and 2022, respectively; the amount of share of comprehensive income of subsidiaries and associates were NT\$118,154 thousand and NT\$(218,131) thousand, accounting for 1.35% and (0.85)% of the Company's comprehensive income for the years ended December 31, 2023 and 2022, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the parent company only 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 parent company only financial statements for the year ended December 31, 2023 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 22, 2024

Notice to Readers

The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 ,DECEMBER 31, 2022 AND JANUARY 1, 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022 (After Adjustment)		January 1, 2022 (After Adjustment)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 7,158,675	3	\$ 9,494,773	4	\$ 14,850,056	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	75,328	-	189,736	-	3,217,706	2
Financial assets at amortized cost - current (Notes 4, 9 and 30)	35,372,805	15	23,233,136	10	28,965,935	12
Trade receivables (Notes 4, 10 and 23)	980,429	-	1,908,876	1	2,954,957	1
Trade receivables from related parties	-	-	-	-	799	-
Other receivables (Notes 4 and 10)	430,429	-	188,431	-	281,015	-
Other receivables from related parties (Notes 4 and 29)	5,464	-	3,480,461	1	122,566	-
Current tax assets	-	-	-	-	84,316	-
Inventories (Notes 4, 5, 11 and 31)	852,742	-	1,192,484	1	1,238,939	1
Other current assets (Note 17)	27,540	-	69,835	-	96,140	-
Total current assets	44,903,412	18	39,757,732	17	51,812,429	22
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	57,348	-	57,330	-	36,240	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,555,944	11	25,651,104	11	21,131,531	9
Investments accounted for using the equity method (Notes 4 and 12)	166,393,227	68	159,323,660	69	158,331,356	66
Property, plant and equipment (Notes 4, 13, 29 and 31)	5,223,925	2	5,572,648	2	6,966,460	3
Right-of-use assets (Notes 4 and 14)	172,412	-	169,727	-	173,014	-
Investment properties (Notes 4 and 15)	1,168,885	1	953,276	1	221,565	-
Intangible assets (Notes 4 and 16)	9,295	-	15,392	-	29,423	-
Deferred tax assets (Notes 4 and 25)	865,808	-	413,636	-	1,097,886	-
Other non-current assets (Note 17)	71,747	-	11,213	-	7,758	-
Total non-current assets	199,518,591	82	192,167,986	83	187,995,233	78
TOTAL	\$ 244,422,003	100	\$ 231,925,718	100	\$ 239,807,662	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 73,040,000	30	\$ 56,696,000	25	\$ 78,031,726	33
Contract liabilities - current (Notes 4 and 23)	12,264	-	42,803	-	32,742	-
Trade payables (Note 19)	203,379	-	304,650	-	640,865	-
Trade payables to related parties (Notes 19 and 29)	4,148	-	30,414	-	191,713	-
Dividends payable	3,401,820	1	-	-	-	-
Other payables (Note 20)	2,421,412	1	3,060,972	1	3,990,515	2
Other payables to related parties (Note 29)	40,042	-	8,804	-	2,309	-
Current tax liabilities (Notes 4 and 25)	5,385,907	2	2,903,565	1	309,608	-
Lease liabilities - current (Notes 4 and 14)	3,998	-	5,923	-	8,514	-
Other current liabilities (Note 20)	10,960	-	16,959	-	19,910	-
Total current liabilities	84,523,930	34	63,070,090	27	83,227,902	35
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4, 5 and 25)	1,798,210	1	2,921,157	2	5,062,739	2
Lease liabilities - non-current (Notes 4 and 14)	133,357	-	126,297	-	124,534	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	6,543	-	6,569	-	6,578	-
Other non-current liabilities (Note 20)	12,300	-	10,036	-	8,776	-
Total non-current liabilities	1,950,410	1	3,064,059	2	5,202,627	2
Total liabilities	86,474,340	35	66,134,149	29	88,430,529	37
EQUITY (Note 22)						
Share capital - ordinary shares	6,803,641	3	7,144,671	3	7,616,181	3
Capital surplus	17,877,080	7	18,771,534	8	20,008,824	8
Retained earnings						
Legal reserve	22,902,142	10	22,354,680	10	21,497,294	9
Special reserve	545,903	-	16,961,466	7	14,394,310	6
Unappropriated earnings	112,488,261	46	102,803,702	44	108,287,799	45
Total retained earnings	135,936,306	56	142,119,848	61	144,179,403	60
Other equity	(2,669,364)	(1)	(2,244,484)	(1)	(16,961,466)	(7)
Treasury Shares	-	-	-	-	(3,465,809)	(1)
Total equity	157,947,663	65	165,791,569	71	151,377,133	63
TOTAL	\$ 244,422,003	100	\$ 231,925,718	100	\$ 239,807,662	100

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

(With Deloitte & Touche auditors' report dated February 22, 2024)

CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 23 and 29)	\$ 4,658,177	100	\$ 8,306,338	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>4,260,520</u>	<u>92</u>	<u>6,727,278</u>	<u>81</u>
GROSS PROFIT	<u>397,657</u>	<u>8</u>	<u>1,579,060</u>	<u>19</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	99,071	2	187,388	2
General and administrative expenses	345,150	7	340,812	4
Research and development expenses	<u>396,212</u>	<u>9</u>	<u>422,848</u>	<u>5</u>
Total operating expenses	<u>840,433</u>	<u>18</u>	<u>951,048</u>	<u>11</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(442,776)</u>	<u>(10)</u>	<u>628,012</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12 and 24)				
Interest income	3,550,057	76	1,128,250	14
Other income	14,868	1	89,928	1
Foreign exchange gains, net	85,990	2	6,504,532	78
Other gains and losses	(5,257)	-	(760,587)	(9)
Interest expense	(1,158,711)	(25)	(703,860)	(9)
Share of profit of subsidiaries and associates	<u>9,323,474</u>	<u>200</u>	<u>5,493,049</u>	<u>66</u>
Total non-operating income and expenses	<u>11,810,421</u>	<u>254</u>	<u>11,751,312</u>	<u>141</u>
PROFIT BEFORE INCOME TAX	11,367,645	244	12,379,324	149
INCOME TAX EXPENSE (Notes 4 and 25)	<u>2,216,452</u>	<u>48</u>	<u>1,477,145</u>	<u>18</u>
NET PROFIT	<u>9,151,193</u>	<u>196</u>	<u>10,902,179</u>	<u>131</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	18	-	21,090	-

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CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method				
Shares of other equity of subsidiaries	\$ 223,451	5	\$ (52,654)	-
	<u>223,469</u>	<u>5</u>	<u>(31,564)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(744,252)	(16)	14,854,916	179
Share of the other comprehensive income (loss) of subsidiaries and associates	<u>95,679</u>	<u>2</u>	<u>(77,592)</u>	<u>(1)</u>
	<u>(648,573)</u>	<u>(14)</u>	<u>14,777,324</u>	<u>178</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(425,104)</u>	<u>(9)</u>	<u>14,745,760</u>	<u>178</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 8,726,089</u>	<u>187</u>	<u>\$ 25,647,939</u>	<u>309</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 13.33</u>		<u>\$ 15.14</u>	
Diluted	<u>\$ 13.32</u>		<u>\$ 15.11</u>	

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

(With Deloitte & Touche auditors' report dated February 22, 2024)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Retained Earnings					Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity	Total	Treasury shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2022	\$ 7,616,181	\$ 20,008,824	\$ 21,497,294	\$ 14,394,310	\$ 108,287,799	\$ (16,859,133)	\$ (102,333)	\$ (16,961,466)	\$ (3,465,809)	\$ 151,377,133
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	-	-	-	-	(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 income 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
Appropriation of the 2022 earnings (Note 22)										
Legal reserve	-	-	523,797	-	(523,797)	-	-	-	-	-
Special reserve	-	-	-	(14,716,983)	14,716,983	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(6,803,641)	-	-	-	-	(6,803,641)
Appropriation of the first half 2023 earnings (Note 22)										
Legal reserve	-	-	23,665	-	(23,665)	-	-	-	-	-
Special reserve	-	-	-	(1,698,580)	1,698,580	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,401,820)	-	-	-	-	(3,401,820)
Changes from investment in associates accounted for using equity method	-	353	-	-	996	-	-	-	-	1,349
Overdue unclaimed dividends of shareholders	-	952	-	-	-	-	-	-	-	952
Net profit for the year ended December 31, 2023	-	-	-	-	9,151,193	-	-	-	-	9,151,193
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(742,775)	317,671	(425,104)	-	(425,104)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	9,151,193	(742,775)	317,671	(425,104)	-	8,726,089
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(224)	-	224	224	-	-
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	-	(6,366,835)	(6,366,835)
Cancellation of treasury shares (Note 22)	(341,030)	(895,759)	-	-	(5,130,046)	-	-	-	6,366,835	-
BALANCE AT DECEMBER 31, 2023	\$ 6,803,641	\$ 17,877,080	\$ 22,902,142	\$ 545,903	\$ 112,488,261	\$ (2,744,533)	\$ 75,169	\$ (2,669,364)	\$ -	\$ 157,947,663

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

(With Deloitte & Touche auditors' report dated February 22, 2024)

CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (After Adjustment)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,367,645	\$ 12,379,324
Adjustments for:		
Depreciation expense	702,646	806,521
Amortization expense	17,071	22,852
Loss on financial instruments at fair value through profit or loss	5,069	750,526
Interest expense	1,158,711	703,860
Interest income	(3,550,057)	(1,128,250)
Dividend income	(8,853)	(76,623)
Share of profit of subsidiaries and associates	(9,323,474)	(5,493,049)
Gain on disposal of property, plant and equipment	(7,255)	(23,886)
Transfer of property, plant and equipment to expenses	-	19
Unrealized loss (gain) on foreign currency exchange	2,273,132	(363,581)
Changes in operating assets and liabilities		
Trade receivables	928,447	1,046,081
Trade receivables from related parties	-	799
Other receivables	(8,946)	46,098
Other receivables from related parties	23,462	523,146
Inventories	339,742	46,456
Other current assets	7,058	24,306
Contract liabilities	(30,539)	10,061
Trade payables	(101,271)	(336,215)
Trade payables to related parties	(26,266)	(161,299)
Other payables	(677,363)	(937,537)
Other payables to related parties	2,902	(548)
Other current liabilities	(5,999)	(2,953)
Net defined benefit liabilities	(26)	(9)
Cash generated from operations	3,085,836	7,836,099
Dividends received	7,224,979	15,506,583
Income tax paid	(896,207)	(256,102)
Net cash generated from operating activities	<u>9,414,608</u>	<u>23,086,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(190,286,657)	(144,962,583)
Proceeds from sale of financial assets at amortized cost	175,967,434	146,542,441
Purchase of financial assets at fair value through profit or loss	-	(5,886,195)
Proceeds from sale of financial assets at fair value through profit or loss	108,343	8,349,915
Acquisitions of investments accounted for using the equity method	(2,306,000)	-
Payments for property, plant and equipment	(96,721)	(168,993)
Proceeds from disposal of property, plant and equipment	1,022	7,951
Increase in refundable deposits	-	(12,000)
		(Continued)

CATCHER TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (After Adjustment)
Decrease in refundable deposits	\$ 12,930	\$ 22
Payments for of intangible assets	(7,100)	(1,327)
Payments for investment properties	(466,967)	-
Interest received	<u>3,311,940</u>	<u>1,004,499</u>
Net cash generated from (used in) investing activities	<u>(13,761,776)</u>	<u>4,873,730</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	730,398,000	406,059,178
Repayments of short-term borrowings	(714,054,000)	(427,394,904)
Proceeds from guarantee deposits received	6,505	3,369
Refunds of guarantee deposits received	(3,401)	(1,150)
Repayment of the principal portion of lease liabilities	(6,329)	(9,797)
Cash dividends paid	(6,803,641)	(7,297,490)
Payments for buy-back of ordinary shares	(6,366,835)	(3,981,444)
Interest paid	(1,160,181)	(694,547)
Proceeds from unclaimed dividends	<u>952</u>	<u>1,192</u>
Net cash generated from (used in) financing activities	<u>2,011,070</u>	<u>(33,315,593)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,336,098)	(5,355,283)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,494,773</u>	<u>14,850,056</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,158,675</u>	<u>\$ 9,494,773</u>

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

(With Deloitte & Touche auditors' report dated February 22, 2024)

(Concluded)

CATCHER TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were published after being approved by the Company’s board of directors on February 22, 2024.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in A Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback

transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

- d. Presentation reclassification

The management of the Company considers the bank deposits repatriated for restricted purposes for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the parent company only balance sheets and parent company only statements of cash flows in 2023. The financial assets at amortized cost were reclassified to cash and cash equivalents with a carrying amount of \$12,838 thousand and \$758,998 thousand on December 31, 2022 and January 1, 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

	Adjustments
Net cash generated from operating activities	\$ -
Net cash generated from investing activities	<u>(746,160)</u>
Net decrease in cash and cash equivalents	<u>\$ (746,160)</u>

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

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

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

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

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

e. Inventories

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

f. Investment accounted for using the equity method

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

1) Investment in subsidiaries

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

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

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

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and

long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

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

2) Investment in associates

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

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

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate.

The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

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

g. Property, plant and equipment

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

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

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

h. Investment properties

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

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

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

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

i. Intangible assets

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

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

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

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

estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

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

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

m. Leases

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

1) The Company as lessor

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

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

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

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

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

2) The Company as lessee

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

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

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

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

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

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

n. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets

are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss

carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

a. Write-down of inventories

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

b. Income taxes

For the purpose of expanding the Company's operation scale continuously and supporting the capital needs of overseas reinvestment companies, the Company's management resolved of the board of directors in previous years that the unappropriated retained earnings of overseas subsidiaries. Therefore,

no deferred tax liabilities were recognized on the subsidiaries' unappropriated earnings (refer to Note 25). If the retained earnings of overseas subsidiaries will be appropriated in the future, recognition of material deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such appropriation takes place. The Company evaluated the optimization of its working capital and tax planning. The board of directors Nanomag International Co., Ltd. (the Company's subsidiary) approved the appropriation of earnings on July 3, 2023 and October 24, 2022, respectively. The remaining unappropriated retained earnings of other overseas subsidiaries will still be estimated using for permanent investment.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 229	\$ 408
Demand deposits in banks	126,189	4,374,145
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>7,032,257</u>	<u>5,120,220</u>
	<u>\$ 7,158,675</u>	<u>\$ 9,494,773</u>

The interest rate intervals of time deposits were as follows:

	December 31	
	2023	2022
Time deposits	5.81%-5.93%	4.15%-4.57%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	<u>\$ 75,328</u>	<u>189,736</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31	
	2023	2022
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Ordinary shares - Alpha Information Systems, Inc.	\$ -	\$ -
Ordinary shares - CDIB Capital Innovation Accelerator Co., Ltd.	57,348	57,330
	<u>\$ 57,348</u>	<u>\$ 57,330</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Domestic investments		
Time deposits with original maturity of more than 3 months (a)	\$ 21,884,605	\$ 8,545,862
Restricted bank deposit (a and b)	13,488,200	14,687,274
	<u>\$ 35,372,805</u>	<u>\$ 23,233,136</u>
<u>Non-current</u>		
Domestic investments		
Time deposits (a)	\$ 25,555,113	\$ 25,367,338
Time deposits with original maturity of more than 1 year (a)	-	282,072
Refundable deposits	831	1,694
	<u>\$ 25,555,944</u>	<u>\$ 25,651,104</u>

a. The interest rate intervals of time deposits:

	December 31	
	2023	2022
Time deposits	5.35%-5.92%	3.57%-5.11%

b. Refer to Note 30 for information relating to financial assets at amortized cost-current pledged as security.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 988,738	\$ 1,917,314
Less: Allowance for impairment loss	<u>(8,309)</u>	<u>(8,438)</u>
	<u>\$ 980,429</u>	<u>\$ 1,908,876</u>
Other receivables		
Interest receivable	\$ 408,706	\$ 171,344
Other	<u>21,723</u>	<u>17,087</u>
	<u>\$ 430,429</u>	<u>\$ 188,431</u>

a. Trade receivables

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

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

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

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

December 31, 2023

	Not Past Due	Less than 60 Days	61 ~ 120 Days	Total
Expected credit loss rate	0%-0.815%	0%-6.346%	0%-10.327%	
Gross carrying amount	\$ 984,272	\$ 3,731	\$ 735	\$ 988,738
Loss allowance (Lifetime ECLs)	<u>(8,023)</u>	<u>(210)</u>	<u>(76)</u>	<u>(8,309)</u>
Amortized cost	<u>\$ 976,249</u>	<u>\$ 3,521</u>	<u>\$ 659</u>	<u>\$ 980,429</u>

December 31, 2022

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

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31 2023
Balance at January 1	\$ 8,438
Less: Amounts written off	<u>(129)</u>
Balance at December 31	<u>\$ 8,309</u>

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

b. Other receivables

The Company analyzed other receivables that were not past due based on the past due status, and the Company did not recognize an allowance for loss on other receivables as of December 31, 2023 and 2022.

11. INVENTORIES

	December 31	
	2023	2022
Merchandise	\$ 938	\$ 4,980
Finished goods	469,035	717,551
Work-in-process and semi-finished goods	325,477	387,983
Raw materials and supplies	<u>57,292</u>	<u>81,970</u>
	<u>\$ 852,742</u>	<u>\$ 1,192,484</u>

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	\$ 4,255,737	\$ 6,742,163
Others	<u>4,783</u>	<u>(14,885)</u>
	<u>\$ 4,260,520</u>	<u>\$ 6,727,278</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 166,389,517	\$ 159,320,891
Investments in associates	<u>3,710</u>	<u>2,769</u>
	<u>\$ 166,393,227</u>	<u>\$ 159,323,660</u>

a. Investments in subsidiaries

	December 31	
	2023	2022
Unlisted Shares		
Gigamag Co., Ltd.	\$ 2,038,756	\$ 1,934,100
Nanomag International Co., Ltd.	156,570,296	152,134,044
Ke Yue Co., Ltd.	3,056,462	2,910,748
Yi Sheng Co., Ltd.	1,612,772	1,063,672
Yi De Co., Ltd.	1,857,807	1,082,883
Catcher Medtech Co., Ltd.	1,147,344	195,444
Yi Fa Co., Ltd.	102,110	-
Yi Chuan Co., Ltd.	1,985	-
Yi Zhu Co., Ltd.	<u>1,985</u>	<u>-</u>
	<u>\$ 166,389,517</u>	<u>\$ 159,320,891</u>

	Proportion of Ownership and Voting Rights	
	December 31, 2023	December 31, 2022
Gigamag Co., Ltd.	100%	100%
Nanomag International Co., Ltd.	100%	100%
Ke Yue Co., Ltd.	100%	100%
Yi Sheng Co., Ltd.	100%	100%
Yi De Co., Ltd.	100%	100%
Catcher Medtech Co., Ltd.	100%	100%
Catcher Holdings International Inc.	-	-
Yi Fa Co., Ltd.	100%	-
Yi Chuan Co., Ltd.	100%	-
Yi Zhu Co., Ltd.	100%	-

The Company established Catcher Holdings International Inc. in June 2022. As of December 31, 2023, no investment funding has been remitted.

The Company established Yi Fa Co., Ltd., Yi Chuan Co., Ltd. and Yi Zhu Co., Ltd. in November 2023.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 was based on the subsidiaries' financial statements which have been audited for the same years.

b. Investments in associates

	December 31	
	2023	2022
Investments in associates		
Associates that are not individually material	\$ <u>3,710</u>	\$ <u>2,769</u>

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

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net profit (loss) and total comprehensive income (loss) for the year	\$ <u>941</u>	\$ <u>(5,281)</u>

13. PROPERTY, PLANT AND EQUIPMENT

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

See Table 10 for the statements of changes in property, plant and equipment for the years ended December 31, 2023 and 2022.

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

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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 172,412	\$ 167,389
Buildings	<u>-</u>	<u>2,338</u>
	<u>\$ 172,412</u>	<u>\$ 169,727</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use asset	<u>\$ 11,465</u>	<u>\$ 12,689</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,442	\$ 6,042
Buildings	<u>2,338</u>	<u>6,214</u>
	<u>\$ 8,780</u>	<u>\$ 12,256</u>
Income from the subleasing of right-of-use assets (presented in operating revenue)	<u>\$ -</u>	<u>\$ (965)</u>

Except for the additions and recognition of depreciation, the Company's right-of-use assets are not subleased and no impairment assessment was performed in 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 3,998</u>	<u>\$ 5,923</u>
Non-current	<u>\$ 133,357</u>	<u>\$ 126,297</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	0.71%	0.71%
Buildings	0.71%	0.71%

c. Material lease-in activities and terms

The Company leases certain land and buildings for the use of plants and office spaces with lease terms of 3 to 50 years. The lease contract for land located in Taiwan specifies that lease payments will be adjusted every year on the basis of changes in the announced land value prices. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the

underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	\$ <u>2,913</u>	\$ <u>930</u>
Total cash outflow for leases	\$ <u>10,202</u>	\$ <u>11,687</u>

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

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 203,363	\$ 155,286	\$ 358,649
Additions	-	245	245
Transfer from property, plant and equipment	<u>712,166</u>	<u>25,929</u>	<u>738,095</u>
Balance at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 181,460</u>	<u>\$ 1,096,989</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 137,084	\$ 137,084
Depreciation	-	5,938	5,938
Transfer from property, plant and equipment	<u>-</u>	<u>691</u>	<u>691</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 143,713</u>	<u>\$ 143,713</u>
Carrying amount at December 31, 2022	<u>\$ 915,529</u>	<u>\$ 37,747</u>	<u>\$ 953,276</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 915,529	\$ 181,460	\$ 1,096,989
Additions	326,300	138,734	465,034
Transfer to property, plant and equipment	<u>(133,135)</u>	<u>(108,963)</u>	<u>(242,098)</u>
Balance at December 31, 2023	<u>\$ 1,108,694</u>	<u>\$ 211,231</u>	<u>\$ 1,319,925</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 143,713	\$ 143,713
Depreciation	-	7,955	7,955
Transfer to property, plant and equipment	<u>-</u>	<u>(628)</u>	<u>(628)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 151,040</u>	<u>\$ 151,040</u>
Carrying amount at December 31, 2023	<u>\$ 1,108,694</u>	<u>\$ 60,191</u>	<u>\$ 1,168,885</u>

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

Main buildings	25 - 50 years
Elevators	15 years
Heat dissipation system	5 years

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

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

	December 31	
	2023	2022
Fair Value	\$ <u>2,402,379</u>	\$ <u>1,625,279</u>

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

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

	December 31	
	2023	2022
Year 1	\$ 31,541	\$ 28,994
Year 2	29,481	29,174
Year 3	21,003	27,266
Year 4	5,662	21,480
Year 5	-	5,862
Year 5 onwards	<u>-</u>	<u>-</u>
	\$ <u>87,687</u>	\$ <u>112,776</u>

16. INTANGIBLE ASSETS

	Computer Software	Technical Skill	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 150,763	\$ 29,700	\$ 180,463
Additions	<u>1,353</u>	<u>-</u>	<u>1,353</u>
Balance at December 31, 2022	<u>\$ 152,116</u>	<u>\$ 29,700</u>	<u>\$ 181,816</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 144,540	\$ 6,500	\$ 151,040
Amortization expense	<u>4,838</u>	<u>10,546</u>	<u>15,384</u>
Balance at December 31, 2022	<u>\$ 149,378</u>	<u>\$ 17,046</u>	<u>\$ 166,424</u>
Carrying amount at December 31, 2022	<u>\$ 2,738</u>	<u>\$ 12,654</u>	<u>\$ 15,392</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 152,116	\$ 29,700	\$ 181,816
Additions	<u>8,116</u>	<u>-</u>	<u>8,116</u>
Balance at December 31, 2023	<u>\$ 160,232</u>	<u>\$ 29,700</u>	<u>\$ 189,932</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 149,378	\$ 17,046	\$ 166,424
Amortization expense	<u>3,668</u>	<u>10,545</u>	<u>14,213</u>
Balance at December 31, 2023	<u>\$ 153,046</u>	<u>\$ 27,591</u>	<u>\$ 180,637</u>
Carrying amount at December 31, 2023	<u>\$ 7,186</u>	<u>\$ 2,109</u>	<u>\$ 9,295</u>

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

17. OTHER ASSETS

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Office supplies	\$ 16,903	\$ 49,820
Temporary payments	1,346	12,461
Prepaid expenses	8,717	6,980
Net Input VAT	500	500
Others	<u>74</u>	<u>74</u>
	<u>\$ 27,540</u>	<u>\$ 69,835</u>

(Continued)

	December 31	
	2023	2022
<u>Non-current</u>		
Prepaid equipment	\$ 70,785	\$ 10,789
Others	<u>962</u>	<u>424</u>
	<u>\$ 71,747</u>	<u>\$ 11,213</u>
		(Concluded)

18. SHORT - TERM BORROWINGS

	December 31	
	2023	2022
Bank unsecured loans	\$ 60,840,000	\$ 43,696,000
Bank secured loans (Note 30)	<u>12,200,000</u>	<u>13,000,000</u>
	<u>\$ 73,040,000</u>	<u>\$ 56,696,000</u>

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

	December 31	
	2023	2022
Bank unsecured loans	1.63%-1.885%	1.3%-1.98%
Bank secured loans	1.53%-1.55%	1.3%-1.56%

19. TRADE PAYABLES

All payables resulted from operating activities.

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

20. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Other payables		
Payables for employees' compensation	\$ 1,533,506	\$ 2,067,335
Payables for salaries and bonuses	316,493	394,920
Payables for technical services	158,428	130,296
Payables for office supplies	128,883	130,402
Payables for annual leave	68,188	79,476
Payables for purchases of equipment	50,187	37,357
		(Continued)

	December 31	
	2023	2022
Payables for utilities	\$ 22,630	\$ 26,582
Payables for interest	21,505	23,099
Remuneration of directors	18,200	18,200
Payables for labor and health insurance	16,796	21,867
Payables for professional service fees	12,115	12,742
Payables for pension	12,101	17,203
Payables for shipping expenses	3,459	11,959
Others	<u>58,921</u>	<u>89,534</u>
	<u>\$ 2,421,412</u>	<u>\$ 3,060,972</u>
Other liabilities		
Advance sales receipts	\$ 1,372	\$ 3,081
Others	<u>9,588</u>	<u>13,878</u>
	<u>\$ 10,960</u>	<u>\$ 16,959</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	<u>\$ 12,300</u>	<u>\$ 10,036</u>
		(Concluded)

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

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

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

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 75,556	\$ 84,953
Fair value of plan assets	<u>(69,013)</u>	<u>(78,384)</u>
Net defined benefit liabilities	<u>\$ 6,543</u>	<u>\$ 6,569</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	\$ 80,463	\$ (73,885)	\$ 6,578
Service cost			
Current service cost	2,162	-	2,162
Net interest expense (income)	<u>603</u>	<u>(562)</u>	<u>41</u>
Recognized in profit or loss	<u>2,765</u>	<u>(562)</u>	<u>2,203</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,570)	(5,570)
Actuarial gain - changes in financial assumptions	(4,508)	-	(4,508)
Actuarial loss - experience adjustments	<u>10,078</u>	<u>-</u>	<u>10,078</u>
Recognized in other comprehensive income	<u>5,570</u>	<u>(5,570)</u>	<u>-</u>
Contributions from the employer	-	(2,212)	(2,212)
Benefits paid	<u>(3,845)</u>	<u>3,845</u>	<u>-</u>
Balance at December 31, 2022	<u>84,953</u>	<u>(78,384)</u>	<u>6,569</u>
Service cost			
Current service cost	1,898	-	1,898
Net interest expense (income)	<u>1,189</u>	<u>(1,113)</u>	<u>76</u>
Recognized in profit or loss	<u>3,087</u>	<u>(1,113)</u>	<u>1,974</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(246)	(246)
Actuarial loss - changes in financial assumptions	573	-	573
Actuarial gain - experience adjustments	<u>(327)</u>	<u>-</u>	<u>(327)</u>
Recognized in other comprehensive income	<u>246</u>	<u>(246)</u>	<u>-</u>
Contributions from the employer	-	(2,000)	(2,000)
Benefits paid	<u>(12,730)</u>	<u>12,730</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 75,556</u>	<u>\$ (69,013)</u>	<u>\$ 6,543</u>

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

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 1,229	\$ 1,371
Selling and marketing expenses	106	105
General and administrative expenses	406	487
Research and development expenses	<u>233</u>	<u>240</u>
	<u>\$ 1,974</u>	<u>\$ 2,203</u>

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

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

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

	December 31	
	2023	2022
Discount rate	1.30%	1.40%
Expected rate of salary increase	2%	2%

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

	December 31	
	2023	2022
Discount rate		
0.25% increase	\$ <u>(1,462)</u>	\$ <u>(1,769)</u>
0.25% decrease	\$ <u>1,509</u>	\$ <u>1,825</u>
Expected rate of salary increase		
0.25% increase	\$ <u>1,452</u>	\$ <u>1,748</u>
0.25% decrease	\$ <u>(1,414)</u>	\$ <u>(1,703)</u>

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

	December 31	
	2023	2022
Expected contributions to the plan within one year	\$ <u>2,000</u>	\$ <u>2,212</u>
Average duration of the defined benefit obligation	9 years	9 years

22. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	\$ <u>10,000,000</u>	\$ <u>10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>680,364</u>	<u>714,467</u>
Shares issued	\$ <u>6,803,641</u>	\$ <u>7,144,671</u>

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

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

On April 18, 2023, the Board of Directors approved a capital reduction to cancel the Company's 34,103 thousand treasury shares and fixed the record date at April 20, 2023. The Company's paid-in capital was \$6,803,641 thousand after the capital reduction.

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

2) Global depositary receipts

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

According to the regulations of the competent authority, the holder of depositary receipts may request to redeem and circulate the depositary receipts in the domestic securities exchange market, and foreign investors may request to reissue depositary receipts within the scope of the original issuance amount. As of December 31, 2023 and 2022, there were 27 thousand units and 21 thousand units of outstanding GDRs, equivalent to 134 thousand ordinary shares and 107 thousand ordinary shares, respectively.

b. Capital surplus

	December 31	
	2023	2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Arising from issuance of ordinary shares	\$ 6,588,483	\$ 6,918,728
Arising from conversion of bonds	11,282,157	11,847,671
<u>May only be used to offset a deficit</u>		
Overdue unclaimed dividends of shareholders	6,087	5,135
Changes in net equity of associates accounted for using the equity method	353	-
	<u>\$ 17,877,080</u>	<u>\$ 18,771,534</u>

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

c. Retained earnings and dividends policy

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

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

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

- 1) Pay taxes;
- 2) Offset against deficit, if any;
- 3) Appropriate 10% of the remaining profit as legal reserve, until the accumulated amount equals the Company's paid-in capital;
- 4) Reverse a special reserve in accordance with the laws or operating needs; and

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

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

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

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

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 523,797	\$ 857,386
Special reserve (reversal)	\$ (14,716,983)	\$ 2,567,156
Cash dividends	\$ 6,803,641	\$ 7,297,531
Cash dividends per share (NT\$)	\$ 10	\$ 10

The Company's board of directors resolved to distribute cash dividends on April 18, 2023 and April 6, 2022, respectively; the retained earnings were resolved by the shareholders in their meetings on May 30, 2023 and May 27, 2022, respectively.

The appropriation of the first half earnings in 2023 has been approved by the Company's board of directors in their meeting. The appropriation and cash dividends per share were as follows:

Date of Board Resolution	For the Six Months Ended
	June 30, 2023
	November 10, 2023
Legal reserve	\$ 23,665
Special reserve (reversal)	\$ (1,698,580)
Cash dividends	\$ 3,401,820
Cash dividends per share (NT\$)	\$ 5

d. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (2,001,758)	\$ (16,859,133)
Exchange differences on translating the financial statements of foreign operations	(744,252)	14,854,916
Share from subsidiaries accounted for using the equity method	<u>1,477</u>	<u>2,459</u>
Balance at December 31	<u>\$ (2,744,533)</u>	<u>\$ (2,001,758)</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (242,726)	\$ (102,333)
Recognized for the year		
Unrealized gain - equity instruments	18	21,090
Share from subsidiaries accounted for using the equity method	314,781	(308,525)
Reclassification adjustments		
Disposal of investments in debt instruments from subsidiaries accounted for using the equity method	2,872	175,820
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>224</u>	<u>(28,778)</u>
Balance at December 31	<u>\$ 75,169</u>	<u>\$ (242,726)</u>

e. Treasury shares

Purpose of Buy-back	Shares Cancelled (In Thousands of Shares)
Number of shares at January 1, 2023	-
Increase during the year	34,103
Cancel during the year (Note 22)	<u>34,103</u>
Number of shares at December 31, 2023	<u>-</u>
Number of shares at January 1, 2022	21,567
Increase during the year	25,584
Cancel during the year (Note 22)	<u>47,151</u>
Number of shares at December 31, 2022	<u>-</u>

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

thousand.

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

To maintain the Company's credit and shareholders' equity, on January 31, 2023, the Company's Board of Directors resolved to buy back 36,000 thousand shares from February 1, 2023 to March 31, 2023 at a price ranging from NT\$124.60 per share to NT\$262.50 per share. The Company will continue to buy back shares when the market price falls below the lower limit of the price range. At the end of the exercise period, the Company bought back 34,103 thousand shares at a total cost of NT\$6,366,835 thousand.

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

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

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of metal casing	\$ 4,617,250	\$ 8,286,171
Rental income	37,117	20,167
Revenue from the rendering of services	<u>3,810</u>	<u>-</u>
	<u>\$ 4,658,177</u>	<u>\$ 8,306,338</u>

a. Contract information

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

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables			
Gross carrying amount	\$ 988,738	\$ 1,917,314	\$ 2,963,395
Less: Allowance for impairment loss	<u>(8,309)</u>	<u>(8,438)</u>	<u>(8,438)</u>
	<u>\$ 980,429</u>	<u>\$ 1,908,876</u>	<u>\$ 2,954,957</u>
Contract liabilities - current			
Sale of goods	<u>\$ 12,264</u>	<u>\$ 42,803</u>	<u>\$ 32,742</u>

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 3,550,057	\$ 1,126,274
Repurchase agreements	<u>-</u>	<u>1,976</u>
	<u>\$ 3,550,057</u>	<u>\$ 1,128,250</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	\$ 8,853	\$ 76,623
Government grants	675	3,536
Recycling income	1,300	2,696
Others	<u>4,040</u>	<u>7,073</u>
	<u>\$ 14,868</u>	<u>\$ 89,928</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets mandatorily classified as at FVTPL	\$ (5,069)	\$ (750,526)
Others	<u>(188)</u>	<u>(10,061)</u>
	<u>\$ (5,257)</u>	<u>\$ (760,587)</u>

d. Interest expense

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 1,157,747	\$ 702,904
Interest on lease liabilities	<u>964</u>	<u>956</u>
	<u>\$ 1,158,711</u>	<u>\$ 703,860</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 671,600	\$ 759,731
Operating expenses	<u>31,046</u>	<u>46,790</u>
	<u>\$ 702,646</u>	<u>\$ 806,521</u>
An analysis of amortization by function		
Operating costs	\$ 2,329	\$ 5,825
Operating expenses	<u>14,742</u>	<u>17,027</u>
	<u>\$ 17,071</u>	<u>\$ 22,852</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2023	2022
Direct operating expenses from investment properties generating rental income	<u>\$ 12,038</u>	<u>\$ 9,001</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 2,371,561	\$ 3,048,782
Post-employment benefits		
Defined contribution plans	75,366	94,092
Defined benefit plans (Note 21)	<u>1,974</u>	<u>2,203</u>
	<u>77,340</u>	<u>96,295</u>
	<u>\$ 2,448,901</u>	<u>\$ 3,145,077</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,932,270	\$ 2,655,587
Operating expenses	<u>516,631</u>	<u>489,490</u>
	<u>\$ 2,448,901</u>	<u>\$ 3,145,077</u>

h. Compensation of employees and remuneration of directors

The Company accrued the compensation of employees and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on February 22, 2024 and February 23, 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	1.00%	1.24%
Remuneration of directors	0.16%	0.14%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	<u>\$ 115,009</u>	\$ -	<u>\$ 155,823</u>	\$ -
Remuneration of directors	<u>\$ 18,200</u>	-	<u>\$ 18,200</u>	-

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

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

i. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 7,473,855	\$ 14,597,774
Foreign exchange losses	<u>(7,387,865)</u>	<u>(8,093,242)</u>
	<u>\$ 85,990</u>	<u>\$ 6,504,532</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 2,004,007	\$ 851,959
Income tax on unappropriated earnings	916,025	-
Adjustment for prior years	60,200	(69,815)
Tax on repatriated offshore funds	<u>811,339</u>	<u>2,152,333</u>
	<u>3,791,571</u>	<u>2,934,477</u>
Deferred tax		
In respect of the current year	(1,575,119)	(1,463,806)
Adjustment for prior years	<u>-</u>	<u>6,474</u>
	<u>(1,575,119)</u>	<u>(1,457,332)</u>
	<u>\$ 2,216,452</u>	<u>\$ 1,477,145</u>

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

	For the Year Ended December 31	
	2023	2022
Profit before income tax	<u>\$ 11,367,645</u>	<u>\$ 12,379,324</u>
Income tax expense calculated at the statutory rate	\$ 2,273,529	\$ 2,475,864
Unrealized gains on investments	(1,838,233)	(1,069,622)
Non-deductible expenses in determining taxable income	29	150,153
Additive expense in determining taxable income	-	(9,322)
Deferred tax effect of earnings of subsidiaries	805,659	-
Tax-exempt income	(757)	(6,587)
Additional income tax on unappropriated earnings	916,025	-
Adjustments for prior years' deferred tax	-	6,474
Adjustments for prior years' tax	<u>60,200</u>	<u>(69,815)</u>
	<u>\$ 2,216,452</u>	<u>\$ 1,477,145</u>

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

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	<u>\$ 5,385,907</u>	<u>\$ 2,903,565</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Provisions for losses on inventories	\$ 126,004	\$ (21,943)	\$ 104,061
Unrealized sales returns	24	-	24
Defined benefit obligation	1,314	(5)	1,309
Payables for annual leave	15,895	(2,258)	13,637
Unrealized gain on disposals of property, plant and equipment	1,709	(1,226)	483
Unrealized intercompany profit	37,499	(26,462)	11,037
Depreciation differences	50,384	75,242	125,626
Other payables	26,059	5,627	31,686
Unrealized foreign exchange losses	<u>154,748</u>	<u>423,197</u>	<u>577,945</u>
	<u>\$ 413,636</u>	<u>\$ 452,172</u>	<u>\$ 865,808</u>

Deferred tax liabilities

Temporary differences			
Depreciation differences	\$ 10,751	\$ 39,633	\$ 50,384
Reserves for land value increment tax	12,597	-	12,597
Investment Income	<u>2,897,809</u>	<u>(1,162,580)</u>	<u>1,735,229</u>
	<u>\$ 2,921,157</u>	<u>\$ (1,122,947)</u>	<u>\$ 1,798,210</u>

For the year ended December 31, 2022

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

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Tax losses	\$ 663,893	\$ (663,893)	\$ -
	<u>\$ 1,097,886</u>	<u>\$ (684,250)</u>	<u>\$ 413,636</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Depreciation differences	\$ -	\$ 10,751	\$ 10,751
Reserves for land value increment tax	12,597	-	12,597
Investment Income	<u>5,050,142</u>	<u>(2,152,333)</u>	<u>2,897,809</u>
	<u>\$ 5,062,739</u>	<u>\$ (2,141,582)</u>	<u>\$ 2,921,157</u>
			(Concluded)

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

The taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized amounted to NT\$16,135,487 thousand and NT\$13,697,746 thousand as of December 31, 2023 and 2022, respectively.

- e. Income tax assessments

The tax returns of the Company through 2021.

26. EARNINGS PER SHARE

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

Net profit for the year

	<u>For the Year Ended December 31</u>	
	2023	2022
Net profit for the year of the Company	<u>\$ 9,151,193</u>	<u>\$ 10,902,179</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares in computation of basic earnings per share	686,480	720,239
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>715</u>	<u>1,443</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>687,195</u>	<u>721,682</u>

The Company may settle compensation paid to employees in cash or shares; therefore, the Company

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

27. CAPITAL MANAGEMENT

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

28. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 75,328	\$ -	\$ -	\$ 75,328
Financial assets at FVTOCI				
Investments in equity instruments at financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 57,348	\$ 57,348

December 31, 2022

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

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

Financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 57,330	\$ 36,240
Recognized in other comprehensive income (included in unrealized gain on financial assets at financial assets at FVTOCI)	18	21,090
Balance at December 31	<u>\$ 57,348</u>	<u>\$ 57,330</u>

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

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

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 75,328	\$ 189,736
Financial asset at amortized cost (i)	69,503,746	63,956,781
Financial assets at FVTOCI		
Equity instruments	57,348	57,330

Financial liabilities

Financial liabilities measured at amortized cost (ii)	75,721,281	60,110,876
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- i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.
- ii) The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, other payables, and guarantee deposits received (classified as other non-current liabilities).

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ 691,241	\$ 630,115

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

The Company's sensitivity to the USD and RMB increased during the current period mainly due to the increase in net assets denominated in USD and RMB. In management's opinion, the sensitivity analysis was unrepresentative of inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period, where the USD-denominated sales revenue would vary along with customer orders and investment assets.

b) Interest rate risk

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

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 67,960,175	\$ 54,002,766
Financial liabilities	137,355	132,220
Cash flow interest rate risk		
Financial assets	126,189	4,374,145
Financial liabilities	73,040,000	56,696,000

Sensitivity analysis

The sensitivity analysis below was based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the years ended December 31, 2023 and 2022 would have decreased by NT\$72,914 thousand and NT\$52,322 thousand, respectively; the change would have been mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings of cash flow.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$753 thousand and NT\$1,897 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

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

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

Information on credit risk concentration as of December 31, 2023 and 2022 was as follows:

	December 31			
	2023		2022	
	Amount	%	Amount	%
Customer A	\$ 726,508	74%	\$ 1,224,864	64%
Customer B	96,752	10%	260,586	14%
Customer C	74,109	8%	125,943	7%

3) Liquidity risk

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

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

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

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

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

December 31, 2023

	Less than 3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 5,951,586	\$ 119,215	\$ 12,300	\$ -
Lease liabilities	-	4,951	19,802	125,979
Variable interest rate liabilities	<u>73,199,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 79,150,599</u>	<u>\$ 124,166</u>	<u>\$ 32,102</u>	<u>\$ 125,979</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 4,951</u>	<u>\$ 19,802</u>	<u>\$ 24,753</u>	<u>\$ 24,753</u>	<u>\$ 46,770</u>	<u>\$ 29,703</u>

December 31, 2022

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

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

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

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

b) Financing facilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Unsecured bank loan facilities		
Amount used	\$ 60,840,000	\$ 43,706,000
Amount unused	<u>20,144,125</u>	<u>42,634,750</u>
	<u>\$ 80,984,125</u>	<u>\$ 86,340,750</u>
Secured bank loan facilities		
Amount used	\$ 12,200,000	\$ 13,000,000
Amount unused	<u>4,800,000</u>	<u>-</u>
	<u>\$ 17,000,000</u>	<u>\$ 13,000,000</u>

29. TRANSACTIONS WITH RELATED PARTIES

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

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

Related Party Name	Relationship
Catcher Technology (Suqian) Co., Ltd. ("Catcher Suqian")	Subsidiaries (100% of indirect ownership)
Vito Technology (Suqian) Co., Ltd. ("Vito Suqian")	Subsidiaries (100% of indirect ownership)
Arcadia Technology (Suqian) Co., Ltd. ("Arcadia Suqian")	Subsidiaries (100% of indirect ownership)

(Continued)

Related Party Name	Relationship
Envio Technology (Suqian) Co., Ltd. ("Envio Suqian")	Subsidiaries (100% of Indirect ownership)
Aquila Technology (Suqian) Co., Ltd. ("Aquila Suqian")	Subsidiaries (75% of Indirect ownership)
Ke Yue Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Sheng Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi De Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Fa Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Chuan Co., Ltd.	Subsidiaries (100% of Direct ownership)
Yi Zhu Co., Ltd.	Subsidiaries (100% of Direct ownership)
Catcher Medtech Co., Ltd.	Subsidiaries (100% of Direct ownership)
SMART ECARE INC.	Associates (45% of Direct ownership)
Next Level Ltd.	Subsidiaries (100% of Indirect ownership)

(Concluded)

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2023	2022
Revenue from sale of goods	Subsidiaries	\$ <u> -</u>	\$ <u> 825</u>
Deduction of Costs	Subsidiaries	\$ <u> -</u>	\$ <u> 550</u>
Rental income	Subsidiaries	\$ 2,480	\$ 1,000
	Associates	<u> -</u>	<u> 965</u>
		\$ <u>2,480</u>	\$ <u>1,965</u>

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

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Subsidiaries		
Next Level Ltd.	\$ 28,260	\$ 1,333,899
Others	<u>10,661</u>	<u>54,063</u>
	\$ <u>38,921</u>	\$ <u>1,387,962</u>

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

d. Office supplies

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiaries	\$ <u>4,697</u>	\$ <u>3,013</u>

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

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Other receivables from related parties	Subsidiaries		
	Nanomag	\$ -	\$ 3,479,910
	Vito Suqian	4,509	-
	Other	<u>955</u>	<u>551</u>
		\$ <u>5,464</u>	\$ <u>3,480,461</u>

The outstanding accounts receivables from related parties are unsecured. No impairment loss was recognized for receivables from related parties for the years ended December 31, 2023 and 2022.

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

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade payables to related parties	Subsidiaries		
	Next Level Ltd.	\$ -	\$ 1,128
	Vito Suqian	4,148	29,251
	Others	<u>-</u>	<u>35</u>
		\$ <u>4,148</u>	\$ <u>30,414</u>
Other payables to related parties	Subsidiaries	\$ <u>40,042</u>	\$ <u>8,804</u>

The outstanding accounts payable to related parties are unsecured.

g. Acquisition of property, plant and equipment

Related Party Category	Purchase Price	
	For the Year Ended December 31	
	2023	2022
Subsidiaries	\$ <u>38,921</u>	\$ <u>8,848</u>

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

h. Disposal of property, plant and equipment

The proceeds price is determined by the bargaining price. The accumulated unrealized gain on disposal for the years ended December 31, 2023 and 2022 was NT\$2,414 thousand and NT\$8,544 thousand, respectively and deducted from Investments accounted for using the equity method.

i. Purchase of property, plant and equipment service

The credit terms are 90 days after current month's closing for related parties. The accumulated unrealized gain for the years ended December 31, 2023 and 2022 was NT\$55,187 thousand and NT\$187,495 thousand, respectively and deducted from Investments accounted for using the equity method.

j. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 47,733	\$ 57,124
Post-employment benefits	<u>34,431</u>	<u>43,128</u>
	<u>\$ 82,164</u>	<u>\$ 100,252</u>

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

30. PLEDGED ASSETS

Assets provided as collateral for financing loans were as follows:

	December 31	
	2023	2022
Pledged deposits (classified as financial assets at amortized cost-current)	<u>\$ 13,488,200</u>	<u>\$ 14,687,274</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments are as follows:

	December 31	
	2023	2022
Acquisition of property, plant and equipment	<u>\$ 50,098</u>	<u>\$ 51,198</u>
Acquisition of inventories	<u>\$ 124,163</u>	<u>\$ 35,725</u>

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,266,050	30.65	\$ 69,465,774
<u>Non-monetary items</u>			
Investment accounted for using equity method			
USD	5,165,577	30.705	158,609,052
<u>Financial liabilities</u>			
Monetary items			
USD	11,110	30.755	341,681
RMB	15,328	4.352	66,709

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,068,471	30.66	\$ 63,419,313
RMB	4	4.383	17
<u>Non-monetary items</u>			
Investment accounted for using equity method			
USD	5,016,872	30.71	154,068,144
<u>Financial liabilities</u>			
Monetary items			
USD	13,258	30.76	407,801
RMB	11,482	4.433	50,898

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

Foreign Currency	For the Year Ended December 31			
	2023		2022	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD)	\$ 3	1 (NTD)	\$ -
USD	31.155 (USD:NTD)	84,846	29.804 (USD:NTD)	6,498,463
RMB	4.4240 (RMB:NTD)	936	4.4345 (RMB:NTD)	4,754
JPY	0.2220 (JPY:NTD)	202	0.2275 (JPY:NTD)	1,315
EUR	33.6985 (EUR:NTD)	<u>3</u>	31.359 (EUR:NTD)	<u>-</u>
		<u>\$ 85,990</u>		<u>\$ 6,504,532</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

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

b. Information on investees (Table 8)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, and repatriations of investment from the mainland China area (Table 9)

- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Tables 1, 2, 6 and 7):
- a) Purchases - the amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) Sales - the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) Property transactions - the amount of property transactions and the amount of the resultant gains or losses
 - d) Endorsements and guarantees - the balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) Financing - the highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other - the transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

TABLE 1**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Lyra International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	\$ 609,600	<u>\$ -</u>	\$ -	-	For short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 789,738,315	<u>\$ 789,738,315</u>
2	Uranus International Co., Ltd.	Next Level Ltd.	Other receivables - related parties	Yes	914,400	<u>\$ -</u>	-	-	For short-term financing	-	Operating capital	-	-	-	789,738,315	<u>\$ 789,738,315</u>
3	Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Other receivables - related parties	Yes	813,114	<u>\$ 780,336</u>	780,336	1.5%	For short-term financing	-	Operating capital	-	-	-	789,738,315	<u>\$ 789,738,315</u>

Note 1: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2023 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2023 of the subsidiaries; but the upper limit of those with business transactions is no more than the needed amount for operations within one year.

Note 2: The upper limit of the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 500% of the net asset value as of December 31, 2023 of the Company; the upper limit of the subsidiaries is equivalent to 40% of the net asset value as of December 31, 2023 of the subsidiaries.

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

TABLE 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS / GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Catcher Technology Co., Ltd.	Business relation	\$ 78,973,832	\$ 10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	0.01	<u>\$ 157,947,663</u>	N	N	N
1	Catcher Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Business relation	78,973,832	18,069	<u>\$ 8,670</u>	<u>\$ 8,670</u>	<u>\$ -</u>	0.01	<u>\$ 157,947,663</u>	N	N	Y
2	Vito Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Business relation	78,973,832	22,214	<u>\$ 17,341</u>	<u>\$ 17,341</u>	<u>\$ -</u>	0.01	<u>\$ 157,947,663</u>	N	N	Y
3	Arcadia Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Business relation	78,973,832	16,438	<u>\$ 13,006</u>	<u>\$ 13,006</u>	<u>\$ -</u>	0.01	<u>\$ 157,947,663</u>	N	N	Y
4	Envio Technology (Suqian) Co., Ltd.	Envio Technology (Suqian) Co., Ltd.	Business relation	78,973,832	24,271	<u>\$ 13,006</u>	<u>\$ 13,006</u>	<u>\$ -</u>	0.01	<u>\$ 157,947,663</u>	N	N	Y

Note 1: The upper limit for each borrower of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2023.

Note 2: The upper limit of the Company and the 100% owned subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2023.

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

TABLE 3

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Units/ Number of Shares/ Denomination	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Technology Co., LTD.	<u>Listed Shares and Emerging Market Shares</u>							
	Sinher Technology Inc.	None	Financial assets at FVTPL - current	2,121,917	\$ 75,328	2.85	\$ 75,328	
	<u>Unlisted Shares</u>							
	Alpha Information Systems, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	-	10.00	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,395,400	57,348	3.57	57,348	
Ke Yue Co., Ltd.	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	1,789,000	152,244	2.03	152,244	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	2,315,000	299,792	4.65	299,792	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	2,084,000	267,794	1.81	267,794	
	Apex Biotechnology Corp.	None	Financial assets at FVTOCI - current	4,762,000	191,909	4.76	191,909	
	HIGHLIGHT TECH CORP.	None	Financial assets at FVTOCI - current	1,431,000	69,475	1.21	69,475	
	FEEDBACK TECHNOLOGY CORP.	None	Financial assets at FVTOCI - current	1,627,000	155,379	3.39	155,379	
	CALITECH CO., LTD.	None	Financial assets at FVTOCI - current	1,811,000	108,660	4.84	108,660	
	SHIH HER TECHNOLOGIES INC.	None	Financial assets at FVTOCI - current	1,186,000	100,336	2.09	100,336	
	YEEDEX ELECTRONIC CORPORATION	None	Financial assets at FVTOCI - current	24,000	2,604	0.10	2,604	
	<u>Limited Partnerships</u>							
	Taiwania Capital Buffalo Fund V, Lp.	None	Financial assets at FVTPL - non-current	-	188,411	12.78	188,411	Note 3
	MESH Cooperative Ventures Fund Lp.	None	Financial assets at FVTPL - non-current	-	67,671	7.39	67,671	Note 3
	<u>Mutual fund</u>							
	Yuanta Japan Leading Enterprises Fund	None	Financial assets at FVTPL - current	10,060,362	100,905	-	100,905	
Yi De Co., Ltd.	<u>Listed Shares and Emerging Market Shares</u>							
	Excelsior Medical Co., Ltd.	None	Financial assets at FVTOCI - current	22,050	1,949	0.01	1,949	
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	1,397,000	118,885	1.59	118,885	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	2,308,000	298,886	4.64	298,886	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	2,129,000	273,576	1.85	273,576	
	Apex Biotechnology Corp.	None	Financial assets at FVTOCI - current	3,445,000	138,833	3.45	138,833	
	HIGHLIGHT TECH CORP.	None	Financial assets at FVTOCI - current	590,000	28,645	0.50	28,645	
	FEEDBACK TECHNOLOGY CORP.	None	Financial assets at FVTOCI - current	1,096,000	104,668	2.29	104,668	
	CALITECH CO., LTD.	None	Financial assets at FVTOCI - current	842,000	50,520	2.25	50,520	
	SHIH HER TECHNOLOGIES INC.	None	Financial assets at FVTOCI - current	2,141,000	181,129	3.77	181,129	
	Medtronic PLC	None	Financial assets at FVTPL - current	100	254	-	254	
	<u>Mutual fund</u>							
	Yuanta Japan Leading Enterprises Fund	None	Financial assets at FVTPL - current	10,060,362	100,905	-	100,905	
Yi Sheng Co., Ltd.	<u>Listed Shares and Emerging Market Shares</u>							
	United Orthopedic Corporation	None	Financial assets at FVTOCI - current	490,000	41,699	0.56	41,699	
	Intai Technology Corp.	None	Financial assets at FVTOCI - current	2,236,000	289,562	4.49	289,562	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	2,110,000	271,135	1.83	271,135	
	Apex Biotechnology Corp.	None	Financial assets at FVTOCI - current	1,688,000	68,026	1.69	68,026	
	HIGHLIGHT TECH CORP.	None	Financial assets at FVTOCI - current	660,000	32,043	0.56	32,043	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Units/ Number of Shares/ Denomination	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Catcher Medtech Co., Ltd.	FEEDBACK TECHNOLOGY CORP.	None	Financial assets at FVTOCI - current	879,000	\$ 83,944	1.83	\$ 83,944	
	CALITECH CO., LTD.	None	Financial assets at FVTOCI - current	1,053,000	63,180	2.81	63,180	
	SHIH HER TECHNOLOGIES INC.	None	Financial assets at FVTOCI - current	728,000	61,589	1.28	61,589	
	Medtronic PLC	None	Financial assets at FVTPL - current	100	253	-	253	
	<u>Mutual fund</u>							
Catcher Medtech Co., Ltd.	Yuanta Japan Leading Enterprises Fund	None	Financial assets at FVTPL - current	10,060,362	100,905	-	100,905	
	<u>Listed Shares and Emerging Market Shares</u>							
Nanomag International Co., Ltd.	Intai Technology Corp.	None	Financial assets at FVTOCI - current	1,789,000	231,675	3.59	231,675	
	GLOBAL PMX CO., LTD.	None	Financial assets at FVTOCI - current	1,654,000	212,539	1.44	212,539	
Nanomag International Co., Ltd.	<u>Limited Partnerships</u>							
	China Renewable Energy Fund, L.P.	None	Financial assets at FVTOCI - non-current	-	USD 56,652	23.51	USD 56,652	
Nanomag International Co., Ltd.	<u>Corporate Bonds</u>							
	AERCAP IRELAND CAPITAL DAC	None	Financial assets at FVTOCI - non-current	1,025,000	USD 1,007		USD 1,007	
Nanomag International Co., Ltd.	AIRCASTLE LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 987		USD 987	
	ARES CAPITAL CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 992		USD 992	
Nanomag International Co., Ltd.	BAT CAPITAL CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,477		USD 1,477	
	BACARDI LTD	None	Financial assets at FVTOCI - non-current	1,615,000	USD 1,593		USD 1,593	
Nanomag International Co., Ltd.	CANADIAN NATURAL RESOURCES LTD	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,492		USD 1,492	
	CELANESE US HOLDINGS LLC	None	Financial assets at FVTOCI - non-current	1,058,000	USD 1,049		USD 1,049	
Nanomag International Co., Ltd.	CENTENE CORPORATION	None	Financial assets at FVTOCI - non-current	1,000,000	USD 967		USD 967	
	DUKE ENERGY OHIO INC	None	Financial assets at FVTOCI - non-current	1,011,000	USD 1,036		USD 1,036	
Nanomag International Co., Ltd.	DCP MIDSTREAM OPERATING LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 1,002		USD 1,002	
	DANSKE BANK A/S	None	Financial assets at FVTOCI - non-current	1,766,000	USD 1,766		USD 1,766	
Nanomag International Co., Ltd.	DELTA AIR LINES INC	None	Financial assets at FVTOCI - non-current	2,000,000	USD 2,014		USD 2,014	
	DISCOVER BANK	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,952		USD 1,952	
Nanomag International Co., Ltd.	DISCOVERY COMMUNICATIONS LLC	None	Financial assets at FVTOCI - non-current	1,400,000	USD 1,394		USD 1,394	
	EDP FINANCE BV	None	Financial assets at FVTOCI - non-current	1,812,000	USD 1,792		USD 1,792	
Nanomag International Co., Ltd.	EQT CORP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 949		USD 949	
	ENEL FINANCE INTERNATIONAL NV	None	Financial assets at FVTOCI - non-current	1,076,000	USD 1,052		USD 1,052	
Nanomag International Co., Ltd.	ENTERGY LOUISIANA LLC	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,065		USD 1,065	
	EXPEDIA INC	None	Financial assets at FVTOCI - non-current	1,200,000	USD 1,201		USD 1,201	
Nanomag International Co., Ltd.	EXPEDIA GROUP INC	None	Financial assets at FVTOCI - non-current	800,000	USD 807		USD 807	
	GENERAL MOTORS FINANCIAL CO INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,473		USD 1,473	
Nanomag International Co., Ltd.	GLENCORE FUNDING LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 996		USD 996	
	HCA INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,497		USD 1,497	
Nanomag International Co., Ltd.	HARLEY-DAVIDSON FINANCIAL SERVICES	None	Financial assets at FVTOCI - non-current	1,100,000	USD 1,062		USD 1,062	
	HYUNDAI CAPITAL AMERICA	None	Financial assets at FVTOCI - non-current	2,000,000	USD 1,979		USD 1,979	
Nanomag International Co., Ltd.	INTESA SANPAOLO SPA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,474		USD 1,474	
	JDE PEETS NV	None	Financial assets at FVTOCI - non-current	580,000	USD 558		USD 558	
Nanomag International Co., Ltd.	LABORATORY CORPORATION OF AMERICA	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,477		USD 1,477	
	LENNAR CORPORATION	None	Financial assets at FVTOCI - non-current	1,364,000	USD 1,358		USD 1,358	
Nanomag International Co., Ltd.	MPLX LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 994		USD 994	
	NRG ENERGY INC	None	Financial assets at FVTOCI - non-current	1,701,000	USD 1,682		USD 1,682	
Nanomag International Co., Ltd.	OMEGA HLTHCARE INVESTORS	None	Financial assets at FVTOCI - non-current	700,000	USD 697		USD 697	
	PARK AEROSPACE HOLDINGS LTD	None	Financial assets at FVTOCI - non-current	1,000,000	USD 999		USD 999	
Nanomag International Co., Ltd.	SANTANDER HOLDINGS USA INC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 989		USD 989	
	SCHLUMBERGER HOLDINGS CORP	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,491		USD 1,491	
Nanomag International Co., Ltd.	STANDARD CHARTERED PLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 999		USD 999	
	SUNOCO LOGISTICS PARTNERS OPERATIO	None	Financial assets at FVTOCI - non-current	750,000	USD 747		USD 747	
Nanomag International Co., Ltd.	SYNCHRONY FINANCIAL	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	VALERO ENERGY CORPORATION	None	Financial assets at FVTOCI - non-current	367,000	USD 355		USD 355	
Nanomag International Co., Ltd.	VENTAS REALTY LP	None	Financial assets at FVTOCI - non-current	1,000,000	USD 993		USD 993	
	VICI PROPERTIES LP/VICI NOTE CO IN	None	Financial assets at FVTOCI - non-current	1,000,000	USD 964		USD 964	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Units/ Number of Shares/ Denomination	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cor Ventures Pte. Ltd.	VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 986		USD 986	
	VISTRA OPERATIONS CO LLC	None	Financial assets at FVTOCI - non-current	1,000,000	USD 991		USD 991	
	VMWARE INC	None	Financial assets at FVTOCI - non-current	1,500,000	USD 1,494		USD 1,494	
	WESTINGHOUSE AIR BRAKE TECHNOLOGIE	None	Financial assets at FVTOCI - non-current	20,000,000	USD 20,227		USD 20,227	
	GOLDMAN SACHS INTERNATIONAL CALLABLE MEDIUM TERM NOTE FIXED							
	<u>Bond</u>							
	US TREASURY	None	Financial assets at FVTOCI - non-current	2,647,000,000	USD 2,659,918		USD 2,659,918	
	<u>Foreign unlisted shares</u>							
	Vyisoneer Inc.	None	Financial assets at FVTPL - non-current	494,095	USD 1,600	8.89	USD 1,600	Note 3
	<u>Private Equity Funds</u>							
	Ally Bridge Group LP	None	Financial assets at FVTPL - non-current	-	USD 15,575	2.54	USD 15,575	Note 3
	ABG-CMRCO LP	None	Financial assets at FVTPL - non-current	-	USD 8,694	25.32	USD 8,694	Note 3
	Altara Ventures Fund LP	None	Financial assets at FVTPL - non-current	-	USD 3,105	3.84	USD 3,105	Note 3
	New Economy Ventures LP	None	Financial assets at FVTPL - non-current	-	USD 1,306	7.36	USD 1,306	Note 3
	Baring Asia Private Equity Fund VIII	None	Financial assets at FVTPL - non-current	-	USD 4,876	0.27	USD 4,876	Note 3
	Silver Lake Alpine Fund II	None	Financial assets at FVTPL - non-current	-	USD 5,882	0.30	USD 5,882	Note 3
	<u>Foreign listed stocks</u>							
	Navitas	None	Financial assets at FVTOCI - non-current	200,000	USD 1,614	0.11	USD 1,614	
	<u>Private Equity Securities</u>							
	Via Surgical Ltd.	None	Financial assets at FVTPL - non-current	14,246	-	4.34	-	

(Concluded)

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

Note 2: Refer to Tables 8 and 9 for information on subsidiaries and associates.

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

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Number of Shares/units/denomination	Amount	Number of Shares/units/denomination	Amount	Number of Shares/units	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares/units/denomination	Amount
Catcher Technology Co., LTD.	<u>Unlisted shares</u>													
	Yi Sheng Co., Ltd.	Investments accounted for using the equity method	Note 2	100% reinvested subsidiary	73,270,000	\$ 1,063,672	5,500,000	\$ 550,000	-	\$ -	\$ -	\$ -	78,770,000	\$ 1,612,772
	Yi De Co., Ltd.	Investments accounted for using the equity method	Note 2	100% reinvested subsidiary	73,270,000	1,082,883	7,000,000	700,000	-	-	-	-	80,270,000	1,857,807
	Catcher Medtech Co., Ltd.	Investments accounted for using the equity method	Note 2	100% reinvested subsidiary	2,000,000	195,444	9,500,000	950,000	-	-	-	-	11,500,000	1,147,344
Nanomag International Co., Ltd.	<u>Government bonds</u>													
	US TREASURY	Financial assets at FVTOCI - non-current	-	-	10,000,000	USD 10,201	2,637,000,000	USD 2,651,466	-	-	-	-	2,647,000,000	USD 2,659,918
	<u>Corporate bonds</u> GOLDMAN SACHS INTERNATIONAL CALLABLE MEDIUM TERM NOTE FIXED	Financial assets at FVTOCI - non-current	-	-	-	-	20,000,000	USD 20,000	-	-	-	-	20,000,000	USD 20,227
	<u>Unlisted shares</u> Cor Ventures Pte, Ltd.	Investments accounted for using the equity method	Note 2	100% reinvested subsidiary	55,165,797	USD 49,840	45,000,000	USD 45,000	-	-	-	-	100,165,797	USD 97,616

Note 1: The opening and closing balances include fair value adjustments, profit and loss of subsidiaries recognized using the equity method and other adjustment items.

Note 2: Cash capital increase.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITION OF IMMOVABLE PROPERTY AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Buyer	The name of the property	The date of the fact	Amount	Payment of the price	Counterparty	Relationship	If the transaction partner is a related party, the data transferred previously				Pricing Reference	Purpose of acquisition and Use cases	Miscellaneous Matters
							All of them	with the issuer relationship	The date of the transfer	Amount			
The Company	Land & Buildings – Daan District, Taipei City	January 17, 2023	\$ 466,967	Paid	HSBC Global Asset Management (Taiwan) Limited	Not related party	Not applicable	Not applicable	Not applicable	\$ -	Appraisal report	For operational needs	None

TABLE 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Catcher Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	\$ (2,720,809)	69	Net 30 to 90 days after month end close	Equivalent	Equivalent	\$ 1,620,195	79	
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Purchases	106,129	14	Net 30 to 90 days after month end close	Equivalent	Equivalent	(19,554)	5	
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(485,523)	12	Net 30 to 90 days after month end close	Equivalent	Equivalent	206,252	10	
Vito Technology (Suqian) Co., Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	(2,251,044)	55	Net 30 to 90 days after month end close	Equivalent	Equivalent	1,520,801	66	

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2023

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same ultimate parent company	\$ 459,570	- (Note)	\$ -	Not applicable	\$ -	\$ -
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,620,195	1.20	-	Not applicable	420,666	-
	Envio Technology (Suqian) Co., Ltd.	Same ultimate parent company	206,252	4.39	-	Not applicable	101,945	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	108,147	1.72	-	Not applicable	8,119	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	1,520,801	1.10	-	Not applicable	253,019	-
	Arcadia Technology (Suqian) Co., Ltd.	Same ultimate parent company	780,336	- (Note)	-	Not applicable	-	-

Note: Receivables from processing and loaning of funds to others; the turnover ratio is not applicable.

TABLE 8

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	\$ 484,941	\$ 484,941	14,377,642	100	\$ 2,038,756	\$ 106,704	\$ 106,704	
	Nanomag International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	1	1	30	100	156,570,296	8,907,794	9,033,179	
	SMART ECARE INC.	13F., No. 99, Sec. 2, Dunhua S. Rd., Da' an Dist., Taipei City 106, Taiwan (R.O.C.)	Health and medical treatment consultant	72,000	72,000	1,440,000	45	3,710	2,091	941	
	Ke Yue Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	3,000,000	3,000,000	198,390,000	100	3,056,462	88,515	88,515	
	Yi Sheng Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	1,549,919	1,000,000	78,770,000	100	1,612,772	46,537	46,537	
	Yi De Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	1,699,930	1,000,000	80,270,000	100	1,857,807	49,419	49,419	
	Catcher Medtech Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Manufacturing, selling and developing medical equipments	1,150,000	200,000	11,500,000	100	1,147,344	(1,946)	(1,911)	
	Catcher Holdings International Inc.	3524 Silverside Road Suite 35B, Wilmington, New Castle, United State	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-	-	Note 3
	Yi Fa Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	102,000	-	1,200,000	100	102,110	120	120	
	Yi Chuan Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	2,000	-	200,000	100	1,985	(15)	(15)	
	Yi Zhu Co., Ltd.	1F, No. 10, Lane 138, Renai Street, Yongkang District, Tainan City	Investing activities	2,000	-	200,000	100	1,985	(15)	(15)	
Ke Yue Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2 Road, Jiuhu Village, Causeway Township, Miaoli County, Hsinchu Science Park	Biotechnology and Medical activities	528,203	519,621	7,155,000	9.86	496,982	420,792		
	Bioteque Corporation	5F-6, No. 23, Sec. 1, Chang'an East Road, Zhongshan District, Taipei City 104	Biotechnology and Medical activities	756,426	599,636	6,788,000	9.80	776,230	459,260		
Yi Sheng Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2 Road, Jiuhu Village, Causeway Township, Miaoli County, Hsinchu Science Park	Biotechnology and Medical activities	240,757	240,757	3,254,000	4.48	225,347	420,792		
	Bioteque Corporation	5F-6, No. 23, Sec. 1, Chang'an East Road, Zhongshan District, Taipei City 104	Biotechnology and Medical activities	279,319	279,091	2,591,000	3.74	297,564	459,260		
Yi De Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2 Road, Jiuhu Village, Causeway Township, Miaoli County, Hsinchu Science Park	Biotechnology and Medical activities	295,411	295,411	4,047,000	5.57	280,264	420,792		
	Bioteque Corporation	5F-6, No. 23, Sec. 1, Chang'an East Road, Zhongshan District, Taipei City 104	Biotechnology and Medical activities	245,534	243,370	2,252,000	3.25	258,602	459,260		
Catcher Medtech Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2 Road, Jiuhu Village, Causeway Township, Miaoli County, Hsinchu Science Park	Biotechnology and Medical activities	251,915	-	3,003,000	4.14	254,248	420,792		
	Bioteque Corporation	5F-6, No. 23, Sec. 1, Chang'an East Road, Zhongshan District, Taipei City 104	Biotechnology and Medical activities	290,840	-	2,729,000	3.94	293,005	459,260		
	Ren He Medical Materials Technology Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	selling and developing medical equipments	2,000	-	200,000	100	1,982	(18)		
	Ren Yi Medical Materials Technology Co., Ltd.	No. 10, Yongke 5th Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	selling and developing medical equipments	2,000	-	200,000	100	1,982	(18)		
Yi Fa Co., Ltd.	Pacific Hospital Supply Co., Ltd.	No. 8, Tongke 2 Road, Jiuhu Village, Causeway Township, Miaoli County, Hsinchu Science Park	Biotechnology and Medical activities	19,120	-	222,000	0.31	19,172	420,792		
	Bioteque Corporation	5F-6, No. 23, Sec. 1, Chang'an East Road, Zhongshan District, Taipei City 104	Biotechnology and Medical activities	25,466	-	236,000	0.34	25,546	459,260		
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investing activities	28,127 (USD 1,009,592)	28,127 (USD 1,009,592)	1,009,592	100	162,623	7,460		
	Stella International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	9,251,725 (USD 332,079,144)	9,251,725 (USD 332,079,144)	332,079,144	100	17,413,182	916,505		

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
	Aquila International Co., Ltd.	P.O. Box31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	Investing activities	\$ 31,203 (USD 1,120,000)	\$ 31,203 (USD 1,120,000)	1,050,000	75	\$ 34,176	\$ 1,410		
	Uranus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	11,116,401 (USD 399,009,383)	11,116,401 (USD 399,009,383)	399,009,383	100	18,183,666	98,435		
	Norma International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	8,345,009 (USD 299,533,691)	8,345,009 (USD 299,533,691)	299,533,691	100	12,996,045	3,115,027		
	Next Level Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investing activities	279 (USD 10,000)	279 (USD 10,000)	10,000	100	455,787	66,621		
	Cor Ventures Pte. Ltd.	160 Robinson Road, #14-04 Singapore Business Federation Centre, Singapore 068914	Investing activities	2,931,244 (USD 100,165,797)	1,536,919 (SGD 55,165,797)	100,165,797	100	2,997,314	70,896		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	- (USD 0)	278,747 (USD 10,005,259)	-	-	-	-		
Stella International Co., Ltd.	Lyra International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	1 (USD 30)	1 (USD 30)	30	100	21,579	1,061		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Room 1907, 19F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investing activities	- (USD 0)	39,004 (USD 1,400,000)	-	-	-	-		
Catcher Holdings International Inc.	Catcher Ventures Inc.	14451 Chambers Road Suite 100 Tustin, CA 92780, United State	Investing activities	- (USD 0)	- (USD 0)	-	-	-	-		Note 3

(Concluded)

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

Note 2: Information on investments in mainland China is provided in Table 9.

Note 3: Established and registered on June 2022, the relevant investment funds have not been remitted.

TABLE 9

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 13)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 13)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 13)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	\$ -	2. Cygnus International Co., Ltd. (Note 8)	\$ 1,023,705 (USD 33,340,000)	\$ -	\$ -	\$ 1,023,705 (USD 33,340,000)	\$ -	-	\$ -	\$ -	\$ -
Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Notes 4 and 5)	1,238,640 (USD 40,340,000)	-	-	1,238,640 (USD 40,340,000)	-	-	-	-	930,304
Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 9)	-	-	-	-	-	-	-	-	18,644,177
Meecca Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Lyra International Co., Ltd. (Note 12)	-	-	-	-	-	-	-	-	4,777,580
Meecca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	-	2. Cygnus International Co. Ltd. (Note 6)	-	-	-	-	-	-	-	-	2,109,621
Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	6,141,000 (USD 200,000,000)	2. Uranus International Co., Ltd. (Note 7)	2,916,944 (USD 94,999,000)	-	-	2,916,944 (USD 94,999,000)	(206,738)	100	(183,271) (2)A.	9,180,758	10,801,111
Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,837,238 (RMB 409,431,280) (USD 132,300,000)	2. Uranus International Co., Ltd. (Note 10)	-	-	-	-	263,030	100	281,742 (2)A.	9,191,129	340,510
Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	5,989,536 (RMB 398,499,193) (USD 138,803,527)	2. Norma International Co., Ltd. (Note 11)	-	-	-	-	2,997,492	100	3,017,261 (2)A.	9,653,882	3,418,675
Envio Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	2,999,528 (RMB 188,956,820) (USD 71,010,000)	2. Norma International Co., Ltd. (Note 16)	-	-	-	-	102,702	100	97,799 (2)A.	3,340,967	102,696
Aquila Technology (Suqian) Co., Ltd. (Note 17)	Manufacturing and selling molds and electronic parts	-	2. Cepheus International Co., Ltd.	34,390 (USD 1,120,000)	-	-	34,390 (USD 1,120,000)	-	75	- (2)A.	-	169,684
WIT Technology (Taizhou) Co., Ltd. (Note 14)	Researching, developing and manufacturing communication electronic products	-	2. Cetus International Co., Ltd.	-	-	-	-	-	-	-	-	-
Chaohu Yunhai Magnesium Co., Ltd. (Note 15)	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metals	-	2. Sagitta International Co., Ltd.	678,025 (USD 22,081,923)	-	-	678,025 (USD 22,081,923)	-	-	-	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 13)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 13 and 14)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 5,891,704 (USD 191,880,923)	\$ 44,603,702 (USD 1,079,728,587.89) (RMB 2,641,316,560.48)	\$ 94,775,432

Note 1: The investing methods are categorized as follows:

- 1: Direct investment in companies in mainland China
- 2: Investment in companies in mainland China, which is made by a company incorporated via a third region
- 3: Others

Note 2: In the column:

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

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

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

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

(3) Others

Note 3: The upper limit on investment in mainland China is calculated as \$157,959,054×60%=\$94,775,432.

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

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

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

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

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

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

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

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

Note 12: The paid-in capital of US\$17,610,861 and RMB529,989,796 are earnings distributed from Catcher Technology (Suzhou) Co., Ltd. and Topo Technology (Suzhou) Co., Ltd. to Nanomag International Co., which were then invested in Meecca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd. The paid-in capital of US\$20,000,000 and RMB284,660,400 are earnings and liquidation income distributed from Catcher Technology (Suzhou) Co., Ltd. and earnings distributed from Topo Technology (Suzhou) Co., Ltd. and Meecca Technology (Suzhou Industrial Park) Co., Ltd. to Nanomag International Co., Ltd., which were then invested in Meecca Technology (Taizhou) Co., Ltd. through Lyra International Co., Ltd. The paid-in capital of USD18,000,000 is earning distributed from Lyra International Co., Ltd. to Topo Technology (Taizhou) Co., Ltd., which were then invested in Meecca Technology (Taizhou) Co., Ltd. Lyra International Co., Ltd. sold all of its equity in December 2020, but the investment amount has not yet been remitted to Taiwan and therefore has not been deducted from the investment amount approved by Investment Commission, MOEA.

Note 13: The exchange rate on December 31, 2023 was US\$1:NT\$30.705.
The exchange rate on December 31, 2023 was RMB1:NT\$4.3352.

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

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

Note 16: The paid-in capital of US\$71,010,000 and RMB\$ 188,956,820 are the proceeds from the liquidated shares in Catcher Technology (Suzhou) Co., Ltd. The amounts from the capital reduction in Topo Technology (Suzhou) Co., Ltd. and in Meecca Technology (Suzhou Industrial Park) Co., Ltd. are invested in Envio Technology (Suqian) Co., Ltd. through Norma International Co., Ltd.

Note 17: Aquila Technology (Suqian) Co., Ltd. was liquidated and canceled in February 2022; the proceeds have not been remitted back to Taiwan and therefore have not been deducted from the investment amount approved by the Investment Commission, MOEA.

TABLE 10

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 2,577,548	\$ 3,165,449	\$ 7,963,277	\$ 37,495	\$ 57,629	\$ 863,825	\$ 14,665,223
Additions	-	4,189	49,546	-	12,724	62,360	128,819
Disposals	-	-	(232,659)	(481)	(1,401)	(13,457)	(247,998)
Reclassifications	(712,166)	(25,619)	2,243	-	-	1,318	(734,224)
Balance at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 3,144,019</u>	<u>\$ 7,782,407</u>	<u>\$ 37,014</u>	<u>\$ 68,952</u>	<u>\$ 914,046</u>	<u>\$ 13,811,820</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ 648,276	\$ 6,276,211	\$ 31,128	\$ 44,792	\$ 698,356	\$ 7,698,763
Depreciation expense	-	80,997	607,379	2,604	6,628	90,719	788,327
Disposals	-	-	(224,851)	(281)	(1,401)	(13,197)	(239,730)
Impairment loss	-	-	(7,497)	-	-	-	(7,497)
Reclassifications	-	(691)	-	-	-	-	(691)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 728,582</u>	<u>\$ 6,651,242</u>	<u>\$ 33,451</u>	<u>\$ 50,019</u>	<u>\$ 775,878</u>	<u>\$ 8,239,172</u>
Carrying amount at December 31, 2022	<u>\$ 1,865,382</u>	<u>\$ 2,415,437</u>	<u>\$ 1,131,165</u>	<u>\$ 3,563</u>	<u>\$ 18,933</u>	<u>\$ 138,168</u>	<u>\$ 5,572,648</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 1,865,382	\$ 3,144,019	\$ 7,782,407	\$ 37,014	\$ 68,952	\$ 914,046	\$ 13,811,820
Additions	-	3,674	69,783	-	1,360	14,573	89,390
Disposals	-	-	(125,235)	-	(481)	(5,367)	(131,083)
Reclassifications	133,135	108,963	5,864	-	-	4,050	252,012
Balance at December 31, 2023	<u>\$ 1,998,517</u>	<u>\$ 3,256,656</u>	<u>\$ 7,732,819</u>	<u>\$ 37,014</u>	<u>\$ 69,831</u>	<u>\$ 927,302</u>	<u>\$ 14,022,139</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 728,582	\$ 6,651,242	\$ 33,451	\$ 50,019	\$ 775,878	\$ 8,239,172
Depreciation expense	-	80,678	540,179	1,916	6,447	56,691	685,911
Disposals	-	-	(119,247)	-	(481)	(5,182)	(124,910)
Impairment loss	-	628	-	-	-	-	628
Reclassifications	-	-	(2,587)	-	-	-	(2,587)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 809,888</u>	<u>\$ 7,069,587</u>	<u>\$ 35,367</u>	<u>\$ 55,985</u>	<u>\$ 827,387</u>	<u>\$ 8,798,214</u>
Carrying amount at December 31, 2023	<u>\$ 1,998,517</u>	<u>\$ 2,446,768</u>	<u>\$ 663,232</u>	<u>\$ 1,647</u>	<u>\$ 13,846</u>	<u>\$ 99,915</u>	<u>\$ 5,223,925</u>

TABLE 11**CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taishin International Bank as Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	44,756,000	6.57%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

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STATEMENT 1**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Maturity Date	Interest Rate (%)	Amount
Cash on hand			\$ 229
Deposits			
Demand deposits			62,473
Foreign currency deposits (Note 1)			63,716
Cash Equivalents			
Time deposits (Note 2)	2024.01.29- 2024.03.28	5.81-5.93	7,032,257
			<u>\$ 7,158,675</u>

Note 1: Including US\$ 2,078,489.78, RMB 3.27

Note 2: Including US\$ 229,400,000
(US \$1=NT\$ 30.655, RMB \$1=NT\$ 4.302)

STATEMENT 2**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF FINANCIAL ASSET AT AMORTIZED COST - CURRENT****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Rate (%)	Maturity Date	Amount
Current			
Time deposits with original maturity of more than 3 months (Note 1)	5.68-5.92	2024.01.04-2024.06.07	\$ 21,884,605
Restricted Time deposits (Note 2)	5.35-5.75	2024.01.04-2024.01.22	<u>13,488,200</u>
			<u>\$ 35,372,805</u>
Non-current			
Time deposits (Note 3)	5.60-5.82	2024.01.18-2024.10.17	\$ 25,555,113
Refundable deposits	-	-	<u>831</u>
			<u>\$ 25,555,944</u>

Note 1: Including US\$ 713,900,000

Note 2: Including US\$ 440,000,000

Note 3: Including US\$ 833,636,046.77
(US\$ 1=NT\$ 30.655)

STATEMENT 3

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Customer Name	Amount
Customer A	\$ 726,508
Customer B	96,752
Customer C	74,109
Others (Note 2)	<u>91,369</u>
	988,738
Less: Allowance for impairment loss	<u>8,309</u>
	<u><u>\$ 980,429</u></u>

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

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

STATEMENT 4**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Merchandise	\$ 938	\$ 11,306
Finished goods	469,035	583,962
Work-in-process and semi - finished goods	325,477	576,918
Raw materials	39,581	39,581
Supplies	<u>17,711</u>	<u>17,969</u>
	<u>\$ 852,742</u>	<u>\$ 1,229,736</u>

Note : Market price as net realizable value

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI – NON-CURRENT
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2023		Additions		Unrealized Gain on Financial Assets at FVTOCI	Balance, December 31, 2023		Fair Value (Note)	Collateral
	Shares	Amount	Shares/Units	Amount		Shares	Amount		
Unlisted shares									
Alpha Information Systems, Inc.	1,500,000	\$ -	-	\$ -	\$ -	1,500,000	\$ -	\$ -	None
CDIB Capital Innovation Accelerator Co., Ltd.	3,000,000	57,330	395,400	-	18	3,395,400	57,348	57,348	None
		<u>\$ 57,330</u>		<u>\$ -</u>	<u>\$ 18</u>		<u>\$ 57,348</u>	<u>\$ 57,348</u>	

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

STATEMENT 6

CATCHER TECHNOLOGY CO., LTD.

**STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Investee Company	Balance, January 1, 2023		Additions (Reductions)		Note	Cash dividends	Gain (loss) on Investments	Cumulative Translation Adjustment	Balance, December 31, 2023				
	Shares	Amount	Shares/Units	Amount					Shares	Proportion of Ownership (%)	Amount	Fair Value	Collateral
Investment accounted for using the equity method													
Nanomag International Co., Ltd. (Foreign Company)	30	\$ 152,134,044	-	\$ 201,973	Note 1	\$ (4,056,696)	\$ 9,033,179	\$ (742,204)	30	100	\$ 156,570,296	\$ 156,625,018	None
Gigamag Co., Ltd. (Foreign Company)	14,377,642	1,934,100	-	-		-	106,704	(2,048)	14,377,642	100	2,038,756	2,038,756	None
SMART ECARE INC. (Non-public companies)	1,440,000	2,769	-	-		-	941	-	1,440,000	45	3,710	3,710	None
Ke Yue Co., Ltd. (Non-public companies)	198,390,000	2,910,748	-	56,163	Note 2	-	88,515	1,036	198,390,000	100	3,056,462	3,056,462	None
Yi Sheng Co., Ltd. (Non-public companies)	73,270,000	1,063,672	5,500,000	554,792	Note 3	(52,669)	46,537	440	78,770,000	100	1,612,772	1,612,772	None
Yi De Co., Ltd. (Non-public companies)	73,270,000	1,082,883	7,000,000	778,383	Note 4	(53,260)	49,419	382	80,270,000	100	1,857,807	1,857,807	None
Catcher Medtech Co., Ltd. (Non-public companies)	2,000,000	195,444	9,500,000	954,175	Note 5	-	(1,911)	(364)	11,500,000	100	1,147,344	1,147,287	None
Yi Fa Co., Ltd. (Non-public companies)	-	-	1,200,000	102,007	Note 6	-	120	(17)	1,200,000	100	102,110	102,110	None
Yi Chuan Co., Ltd. (Non-public companies)	-	-	200,000	2,000		-	(15)	-	200,000	100	1,985	1,985	None
Yi Zhu Co., Ltd. (Non-public companies)	-	-	200,000	2,000		-	(15)	-	200,000	100	1,985	1,985	None
		<u>\$ 159,323,660</u>		<u>\$ 2,651,493</u>		<u>\$ (4,162,625)</u>	<u>\$ 9,323,474</u>	<u>\$ (742,775)</u>			<u>\$ 166,393,227</u>	<u>\$ 166,447,892</u>	

Note 1: Including the recognized subsidiaries' salaries payable of \$20,361 thousand, adjustment of unrealized loss of \$2,269 thousand and realized profit of \$8,399 thousand of subsidiaries and the recognized unrealized gain of \$175,482 thousand on subsidiaries' investments in instruments at FVTOCI.

Note 2: Including the recognized unrealized gain of \$55,513 thousand on subsidiaries' investments in equity instruments at FVTOCI and the increase of \$650 thousand of recognized changes in equities of associates.

Note 3: Including the recognized unrealized gain of \$4,536 thousand on subsidiaries' investments in equity instruments at FVTOCI and the increase of \$256 thousand of recognized changes in equities of associates and increased capital of \$550,000 thousand.

Note 4: Including the recognized unrealized gain of \$78,144 thousand on subsidiaries' investments in equity instruments at FVTOCI and the increase of \$239 thousand of recognized changes in equities of associates and increased capital of \$700,000 thousand.

Note 5: Including the recognized unrealized gain of \$3,978 thousand on subsidiaries' investments in equity instruments at FVTOCI and the increase of \$197 thousand of recognized changes in equities of associates and increased capital of \$950,000 thousand.

Note 6: Including the increase of \$7 thousand of recognized changes in subsidiaries of associates and increased capital of \$102,000 thousand.

STATEMENT 7**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS****FOR THE YEAR ENDED DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 189,532	\$ 24,882	\$ 214,414
Additions	<u>11,465</u>	<u>-</u>	<u>11,465</u>
Balance at December 31, 2023	<u>\$ 200,997</u>	<u>\$ 24,882</u>	<u>\$ 225,879</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ 22,143	\$ 22,544	\$ 44,687
Depreciation	<u>6,442</u>	<u>2,338</u>	<u>8,780</u>
Balance at December 31, 2023	<u>\$ 28,585</u>	<u>\$ 24,882</u>	<u>\$ 53,467</u>
Carrying amount at December 31, 2023	<u>\$ 172,412</u>	<u>\$ -</u>	<u>\$ 172,412</u>

STATEMENT 8**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

	Maturity Date	Interest rate (%)	Balance	Credit Line	Collateral
Borrowings of unsecured loans					
Bank credit loans	2024.01	1.63-1.885	\$ 60,840,000	\$ 80,984,125	None
Secured bank loans	2024.01	1.53-1.55	<u>12,200,000</u>	17,000,000	Secured
			<u>\$ 73,040,000</u>		

STATEMENT 9

CATCHER TECHNOLOGY CO., LTD.

**STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Vendor A	\$ 63,128
Vendor B	20,424
Vendor C	17,018
Vendor D	10,113
Others (Note)	<u>92,696</u>
	<u>\$ 203,379</u>

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

STATEMENT 10**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Summary	Lease Period	Discount Rate (%)	Balance, End of Year	Note
Land	Land at Renai factory	2000.04-2050.04	0.71	<u>\$ 137,355</u> 137,355	-
Less: mature in one-year				(3,998) <hr/>	
				<u><u>\$ 133,357</u></u>	

STATEMENT 11**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Quantities (Thousands)	Amount
Sale of Goods		
Manufactured products		
Metal casing	3,825	\$ 4,763,028
Less : Sales returns	74	143,589
Sales discounts		<u>2,189</u>
Net operating revenue		4,617,250
Rental Income		37,117
Revenue from the rendering of services		<u>3,810</u>
		<u>\$ 4,658,177</u>

STATEMENT 12**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Amount
Merchandise, beginning of year	\$ 4,980
Add: Merchandise purchased	516
Others	19,138
Less: Merchandise, end of year	938
Cost of commodity transaction	<u>23,696</u>
Raw materials, beginning of year	32,950
Add: Raw material purchased	735,859
Others	10
Less: Raw materials, end of year	39,581
Others	<u>680</u>
Raw material consumption	728,558
Direct labor	1,232,148
Manufacturing expenses	<u>2,309,311</u>
Manufacturing cost	4,270,017
Add: Work-in-process and semi-finished goods, beginning of year	387,983
Work-in-process and semi-finished goods purchased	16,377
Others	5,247
Less: Work-in-process and semi-finished goods, end of year	325,477
Others	<u>71,065</u>
Manufacturing cost	4,283,082
Add: Finished goods, beginning of year	717,551
Finished goods purchased	28,540
Others	2,865
Less: Finished goods, end of year	469,035
Others	<u>5,681</u>
Finished goods costs of sales	<u>4,557,322</u>
Subtotal	4,581,018
Loss from physical count	(5,245)
Revenue from sale of scraps	(483,250)
Cost of others	<u>163,214</u>
The cost of inventories	4,255,737
Gain on disposals of property, plant and equipment	(7,255)
Rental Cost	<u>12,038</u>
	<u>\$ 4,260,520</u>

STATEMENT 13**CATCHER TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	\$ 33,345	\$ 177,569	\$ 227,904	\$ 438,818
Test fee	-	-	93,376	93,376
Export expense	29,905	-	-	29,905
Depreciation	1,517	15,235	14,294	31,046
Professional service fee	-	20,365	736	21,101
Donation	-	24,211	-	24,211
Others	<u>34,304</u>	<u>107,770</u>	<u>59,902</u>	<u>201,976</u>
Total	<u>\$ 99,071</u>	<u>\$ 345,150</u>	<u>\$ 396,212</u>	<u>\$ 840,433</u>

CATCHER TECHNOLOGY CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	\$ 1,587,322	\$ 438,818	\$ 2,026,140	\$ 2,214,267	\$ 407,692	\$ 2,621,959
Labor and health insurance	178,533	34,523	213,056	222,344	33,182	255,526
Post-employment benefits	62,008	15,332	77,340	79,343	16,952	96,295
Remuneration of directors	-	19,198	19,198	-	19,228	19,228
Others	104,407	8,760	113,167	139,633	12,436	152,069
	<u>\$ 1,932,270</u>	<u>\$ 516,631</u>	<u>\$ 2,448,901</u>	<u>\$ 2,655,587</u>	<u>\$ 489,490</u>	<u>\$ 3,145,077</u>
Depreciation	\$ 671,600	\$ 31,046	\$ 702,646	\$ 759,731	\$ 46,790	\$ 806,521
Amortization	2,329	14,742	17,071	5,825	17,027	22,852

Note1: For the years ended December 31, 2023 and 2022, there were 3,283 employees and 4,233 employees in the Company, respectively. In addition, the Company had 4 non-employee directors for the years then ended.

Note 2: Average labor cost for the years ended December 31, 2023 and 2022 were NT\$741 thousand and NT\$739 thousand, respectively.

Note 3: Average salary and bonuses for the years ended December 31, 2023 and 2022 were NT\$618 thousand and NT\$620 thousand, respectively. The average salary and bonuses decrease by 0.32% year-over-year.

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

Note 5: The remuneration policy was as follows:

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