C SUN MFG. LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS’ REPORT

DECEMBER 31, 2022 AND 2021

(Stock Code：2467)

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

C SUN MFG. LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

C SUN MFG. LTD.

February 24, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22000226

To the Board of Directors and Shareholders of C SUN MFG. LTD.

Opinion

We have audited the accompanying consolidated balance sheets of C SUN MFG. LTD. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon,we

do not provide a separate opinion on these matters.
Key audit matters for the Group’s 2022 consolidated financial statements are stated as follows：

Revenue recognition

Description

Refer to Notes 4(30) and 6(21) of the Group’s 2022 consolidated financial statements for accounting policies on revenue recognition and the description of significant accounts – operating revenue, respectively.
The Group is primarily engaged in the manufacture and sale of related manufacturing equipment of printed circuit board and flat panel display. Main revenue recognition is based on customers’ confirmation for acceptance. Since the timing of the transfer of risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the consolidated financial statements, thus, revenue recognition has been identified as a key audit matter.

How our audit addressed the matter

Our audit procedures performed included the following:
1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions including checking customer purchase orders and evidences of sales transactions.
4. Performed cut-off test on sales transactions for a specific period of time prior to and after the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of C SUN MFG. LTD. as at and for the year ended December 31, 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Li, Tien-Yi	Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,371,810	17	$ 1,060,848	14
1110	Financial assets at fair value through profit or loss - current	6(2)	206,181	2	87,008	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	396,931	5	316,216	4
1150	Notes receivable, net	6(5)	113,124	1	125,482	2
1170	Accounts receivable, net	6(5)	2,314,127	28	1,961,156	27
1180	Accounts receivable - related parties	6(5) and 7	-	-	436	-
1200	Other receivables		15,960	-	18,683	-
130X	Inventories	6(6)	950,833	12	1,151,756	16
1410	Prepayments		58,554	1	74,210	1
1470	Other current assets		5,891	-	7,819	-
11XX	**Current Assets**		5,433,411	66	4,803,614	65
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	76,031	1	121,832	2
1535	Non-current financial assets at amortised cost, net	6(4)	388,555	5	270,358	4
1550	Investments accounted for under equity method	6(7)	1,198,348	15	1,106,872	15
1600	Property, plant and equipment	6(8) and 8	808,393	10	778,211	11
1755	Right-of-use assets	6(9)	73,010	1	69,218	1
1780	Intangible assets		51,599	1	46,376	1
1840	Deferred income tax assets	6(28)	124,493	1	116,209	1
1900	Other non-current assets	6(5)(15)	33,503	-	26,054	-
15XX	**Non-current assets**		2,753,932	34	2,535,130	35
1XXX	**Total assets**		$ 8,187,343	100	$ 7,338,744	100

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 695,000	9	$ 694,981	10
2120	Current financial liabilities at fair value through profit or loss	6(12)	329	-	3,399	-
2130	Current contract liabilities	6(21)	669,327	8	520,329	7
2150	Notes payable		18,689	-	40,504	1
2170	Accounts payable		803,317	10	884,425	12
2180	Accounts payable - related parties	7	21,755	1	30,985	-
2200	Other payables	6(13)	822,193	10	774,927	11
2230	Current income tax liabilities	6(28)	98,917	1	61,106	1
2280	Current lease liabilities	6(9)	14,032	-	9,992	-
2320	Long-term liabilities, current portion	6(14)	344,000	4	105,250	1
2399	Other current liabilities, others		15,667	-	16,526	-
21XX	**Current Liabilities**		3,503,226	43	3,142,424	43
	Non-current liabilities					
2540	Long-term borrowings	6(14)	756,000	9	739,750	10
2570	Deferred income tax liabilities	6(28)	436,519	6	371,089	5
2580	Non-current lease liabilities	6(9)	11,624	-	10,978	-
2600	Other non-current liabilities	6(15)	2,160	-	24,741	-
25XX	**Non-current liabilities**		1,206,303	15	1,146,558	15
2XXX	**Total Liabilities**		4,709,529	58	4,288,982	58
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Share capital - common stock		1,567,553	19	1,521,897	21
	Capital surplus	6(18)				
3200	Capital surplus		273,693	3	243,751	3
	Retained earnings	6(19)				
3310	Legal reserve		338,618	4	273,986	4
3320	Special reserve		51,901	1	105,878	2
3350	Unappropriated retained earnings		988,262	12	754,285	10
	Other equity interest	6(20)				
3400	Other equity interest		(29,489)	-	(29,523)	(1)
3500	Treasury shares	6(17)	-	-	(41,977)	-
31XX	**Equity attributable to owners of the parent**		3,190,538	39	2,828,297	39
36XX	Non-controlling interest		287,276	3	221,465	3
3XXX	**Total equity**		3,477,814	42	3,049,762	42
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 8,187,343	100	$ 7,338,744	100

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21) and 7	$ 5,366,976	100	$ 5,723,265	100
5000	Operating costs	6(6)(26)(27) and 7	(3,458,971)	(64)	(3,781,424)	(66)
5900	Net operating margin		1,908,005	36	1,941,841	34
	Operating expenses	6(26)(27)				
6100	Selling expenses		(484,725)	(9)	(538,937)	(9)
6200	General and administrative expenses		(356,432)	(7)	(344,191)	(6)
6300	Research and development expenses		(323,506)	(6)	(323,418)	(6)
6450	Expected credit losses	12(2)	(13,509)	-	4,821	-
6000	Total operating expenses		(1,178,172)	(22)	(1,201,725)	(21)
6900	Operating profit		729,833	14	740,116	13
	Non-operating income and expenses					
7100	Interest income	6(22)	21,321	-	22,141	-
7010	Other income	6(23)	55,590	1	44,223	1
7020	Other gains and losses	6(24)	55,695	1	2,790	-
7050	Finance costs	6(25)	(31,144)	-	(16,539)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	129,470	2	82,241	1
7000	Total non-operating income and expenses		230,932	4	134,856	2
7900	**Profit before income tax**		960,765	18	874,972	15
7950	Income tax expense	6(28)	(178,143)	(3)	(158,566)	(3)
8200	**Profit for the year**		$ 782,622	15	$ 716,406	12

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss	6(20)				
8311	Gains (losses) on remeasurements of defined benefit plans	6(25)	$ 25,212	-	($ 11,585)	-
8316	Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	6(3)	(7,654)	-	72,980	1
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(21,638)	-	24,125	1
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(4,080)	-	85,520	2
	Components of other comprehensive income that will be reclassified to profit or loss	6(20)				
8361	Financial statements translation differences of foreign operations		36,116	-	2,164	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		2,218	-	1,051	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	(5,026)	-	(883)	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		33,308	-	2,332	-
8300	**Other comprehensive income for the year**		$ 29,228	-	$ 87,852	2
8500	**Total comprehensive income for the year**		$ 811,850	15	$ 804,258	14
	Profit attributable to:					
8610	Owners of the parent		$ 718,965	14	$ 660,294	11
8620	Non-controlling interest		63,657	1	56,112	1
	Profit for the year		$ 782,622	15	$ 716,406	12
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 746,039	14	$ 748,656	13
8720	Non-controlling interest		65,811	1	55,602	1
	Total comprehensive income for the year		$ 811,850	15	$ 804,258	14
	Basic earnings per share	6(29)				
9750	Total basic earnings per share		$	4.59	$	4.22
	Diluted earnings per share	6(29)				
9850	Total diluted earnings per share		$	4.58	$	4.22

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
				Retained Earnings			Other equity interest						
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on remeasurements of defined benefit plan	Treasury shares	Total	Non-controlling interest	Total equity
2021													
Balance at January 1, 2021		$ 1,492,055	$ 232,800	$ 227,431	$ 51,901	$ 611,356	($ 135,531)	$ 29,123	$ 530	$ -	$ 2,509,665	$ 172,827	$ 2,682,492
Profit for the year		-	-	-	-	660,294	-	-	-	-	660,294	56,112	716,406
Other comprehensive (loss) income for the year	6(20)	-	-	-	-	(11,045)	2,842	96,565	-	-	88,362	(510)	87,852
Total comprehensive income		-	-	-	-	649,249	2,842	96,565	-	-	748,656	55,602	804,258
Distribution of 2020 earnings:	6(19)												
Legal reserve		-	-	46,555	-	(46,555)	-	-	-	-	-	-	-
Special reserve		-	-	-	53,977	(53,977)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(373,014)	-	-	-	-	(373,014)	-	(373,014)
Stock dividends		29,842	-	-	-	(29,842)	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehesive income	6(20)	-	-	-	-	23,052	-	(23,052)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	10,951	-	-	(25,984)	-	-	-	-	(15,033)	-	(15,033)
Cash dividends from subsidiaries		-	-	-	-	-	-	-	-	-	-	(3,873)	(3,873)
Stock repurchase		-	-	-	-	-	-	-	-	(41,977)	(41,977)	-	(41,977)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(3,091)	(3,091)
Balance at December 31, 2021		$ 1,521,897	$ 243,751	$ 273,986	$ 105,878	$ 754,285	($ 132,689)	$ 102,636	$ 530	($ 41,977)	$ 2,828,297	$ 221,465	$ 3,049,762
2022													
Balance at January 1, 2022		$ 1,521,897	$ 243,751	$ 273,986	$ 105,878	$ 754,285	($ 132,689)	$ 102,636	$ 530	($ 41,977)	$ 2,828,297	$ 221,465	$ 3,049,762
Profit for the year		-	-	-	-	718,965	-	-	-	-	718,965	63,657	782,622
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	25,212	31,154	(29,292)	-	-	27,074	2,154	29,228
Total comprehensive income (loss)		-	-	-	-	744,177	31,154	(29,292)	-	-	746,039	65,811	811,850
Appropriation of 2021 earnings:	6(19)												
Legal reserve		-	-	64,632	-	(64,632)	-	-	-	-	-	-	-
Special reserve		-	-	-	(53,977)	53,977	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(456,569)	-	-	-	-	(456,569)	-	(456,569)
Stock dividends		45,656	-	-	-	(45,656)	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehesive income	6(20)	-	-	-	-	1,828	-	(1,828)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	29,942	-	-	1,359	-	-	-	-	31,301	-	31,301
Treasury stock transferred to employees	6(17)	-	-	-	-	(507)	-	-	-	41,977	41,470	-	41,470
Balance at December 31, 2022		$ 1,567,553	$ 273,693	$ 338,618	$ 51,901	$ 988,262	($ 101,535)	$ 71,516	$ 530	$ -	$ 3,190,538	$ 287,276	$ 3,477,814

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 960,765	$ 874,972
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	74,192	77,994
Amortization	6(26)	6,242	5,813
Expected credit impairment loss	12(2)	13,509	(4,821)
Net gain on financial assets or liabilities at fair value through profit or loss	6(24)	(24,625)	(1,422)
Interest expense	6(25)	31,144	16,539
Interest income	6(22)	(21,321)	(22,141)
Dividend income	6(23)	(32,830)	(16,097)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(129,470)	(82,241)
Property, plant, and equipment transferred to expenses		-	242
(Gain) loss on disposal of property, plant and equipment, net	6(24)	(395)	351
Gains on disposals of investments	6(24)	(815)	(4,917)
Impairment loss from non – financial assets	6(24)	1,330	1,303
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(93,871)	47,916
Notes receivable		14,097	(90,297)
Accounts receivable		(391,871)	(15,480)
Accounts receivable-related parties		436	(543)
Other receivables		2,228	(7,527)
Inventories		212,345	(199,461)
Prepayments		16,569	5,986
Other current assets		1,961	(2,079)
Other non-current assets		42,530	-
Changes in operating liabilities			
Contract liabilities		142,135	(38,548)
Notes payable		(21,815)	(26,728)
Accounts payable		(86,426)	(188,092)
Accounts payable-related parties		(9,230)	19,570
Other payables		28,249	158,054
Other current liabilities		861	(9,384)
Accrued pension liabilities		(8,826)	(8,826)
Cash inflow generated from operations		727,098	490,136
Interest paid		(20,925)	(12,452)
Income tax paid		(94,202)	(105,232)
Net cash flows from operating activities		611,971	372,452

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 62,110)	($ 301,547)
Proceeds from disposal of financial assets at fair value through other comprehensive income		16,621	1,984
Capital reduction of financial assets at fair value through other comprehensive income		2,124	11,798
Acquisition of financial assets at amortised cost		(114,556)	(270,049)
Dividend received from investment accounted for under the equity method	6(7)	88,161	58,687
Increase in investment accounted for under the equity method		(37,709)	(130,630)
Acquisition of property, plant and equipment	6(30)	(89,989)	(139,204)
Proceeds from disposal of property, plant and equipment		1,887	5,682
Acquisition of intangible assets		(5,543)	(1,597)
Decrease in other financial assets		-	842
Refundable deposits refunded (paid)		2,505	(10,024)
Decrease (increase) in other non-current assets		1,165	(1,500)
Interest received		20,844	22,404
Dividend received		32,830	16,097
Net cash flows used in investing activities		(143,770)	(737,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		2,052,462	5,543,031
Repayment of short-term borrowings		(2,052,443)	(5,418,650)
Proceeds from long-term borrowings		345,000	1,186,000
Repayment of long-term borrowings		(90,000)	(1,073,000)
Increase in guarantee deposits received		13	85
Repayment of principal portion of lease liabilities		(15,141)	(13,829)
Cost of repurchase of treasury shares	6(17)	-	(41,977)
Treasury stock transferred to employees	6(17)	41,470	-
Payment of cash dividends	6(19)	(456,569)	(373,014)
Decrease in non-controlling interests		-	(3,000)
Cash dividends from subsidiaries		-	(3,873)
Net cash flows used in financing activities		(175,208)	(198,227)
Effect of exchange rate		17,969	1,701
Net increase (decrease) in cash and cash equivalents		310,962	(561,131)
Cash and cash equivalents at beginning of year	6(1)	1,060,848	1,621,979
Cash and cash equivalents at end of year	6(1)	$ 1,371,810	$ 1,060,848

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

C SUN MFG. LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

C SUN MFG. LTD. (the "Company") was incorporated in April, 1978. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in electronics, semiconductors, liquid crystal displays (LCD), printed circuit boards, textiles, plastics, rubber, printing, chemical industry, aerospace and other industrial box ovens, tunnel ovens, UV drying equipment, UV exposure equipment, automatic equipment, plasma generator (PRS series), automatic system integration technology, research, development, related parts manufacturing, maintenance, sales, import and export business of the previous products.

In September, 2001, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on February 24, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRSs 2018- 2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Note
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	Holding company	100%	100%	
C SUN MFG. LTD.	K Sun (Samoa) Ltd.	Holding company	100%	100%	
C SUN MFG. LTD.	Wat Sun. Intelligent Technology Co., Ltd.	Manufacturing and Selling	-	100%	Note 4
C SUN MFG. LTD.	Abcon Technology Inc.	Manufacturing and Selling	-	-	Notes 1
C Sun (B.V.I.) Ltd.	Csun Technology (Guangzhou) Co., Ltd.	Manufacturing and Selling	100%	100%	
C Sun (B.V.I.) Ltd.	Alpha Joint Ltd.	Holding company	100%	100%	
C Sun (B.V.I.) Ltd.	Power Ever Enterprises Limited	Holding company	77.47%	77.47%	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Holding company	100%	100%	
Good Team International Enterprises Limited	Suzhou Top Creation Machines Co., Ltd.	Manufacturing and Selling	100%	100%	
Good Team International Enterprises Limited	Nantong Chuangfeng Photoelectric Equipment Co.,Ltd.	Manufacturing and Selling	100%	-	Notes 3
Suzhou Top Creation Machines	Top Creation Machines CO., Ltd.	Manufacturing and Selling	100%	100%	
Csun Technology (Guangzhou) Co., Ltd.	Guangzhou Y SUN Machinery Tech. Co., Ltd.	Manufacturing and Selling	-	100%	Notes 2
Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chunag Gao Xin Materials Technology Co., Ltd.	Manufacturing and Selling	100%	100%	

Note 1: Abcon Technology Inc. completed the liquidation on November 22, 2021.

Note 2: Guangzhou Y Sun Machinery Tech. Co., Ltd. completed the cancellation of registration on January, 2022.

Note 3: Nantong Chuangfeng Photoelectric Equipment Co., Ltd. was established in June 2022.

Note 4: Wat Sun. Intelligent Technology Co., Ltd. was dissolved on July 14, 2022. As of December 31, 2022, the liquidation process has not yet been completed.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a). Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b). Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c). All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, including accounts receivable, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that does not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 ~ 56 years
Machinery and equipment	2 ~ 11 years
Office equipment	2 ~ 8 years
Transportation equipment	4 ~ 11 years
Other equipment	2 ~ 16 years

(17) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Other intangible assets

Other intangible assets mainly patent, are amortised on a straight-line basis over their estimated useful lives of 3 ~ 10 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(25) Provisions

Provisions (including warranties and after sale service) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) <u>Income tax</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales revenue

Sales revenue from manufacturing electronics and semiconductor equipment and selling automation system integration technology. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Sales of services

When the Group provides maintenance services, the customer obtains and consumes the performance benefits at the same time, and the relevant revenue is recognised when the service is provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 2,572	$ 3,044
Checking accounts and demand deposits	1,287,663	1,052,501
Time deposits	81,575	5,303
Total	$ 1,371,810	$ 1,060,848

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Financial assets at fair value through profit or loss

		December 31, 2022		December 31, 2021
Current items:				
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	$	174,745	$	80,569
Hybrid instruments		3,030		
Derivatives		-		-
		177,775		80,569
Valuation adjustment		28,406		6,439
	$	206,181	$	87,008

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

		Year ended December 31, 2022		Year ended December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	$	20,185	$	5,779
Derivative instruments		5,151	(	705)
Hybrid instruments		270		-
	$	25,606	$	5,074

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below: (There were no such transactions on December 31, 2021)

	December 31, 2022	
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 9,600	2022/12-2023/4
	JPY 50,000	2022/10-2023/1

Foreign exchange swap contracts

The Group entered into foreign exchange swap contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations. However, these foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	$ 349,116	$ 291,756
Valuation adjustment	47,815	24,460
	$ 396,931	$ 316,216
Non-current items:		
Equity instruments		
Emerging stocks	$ 25,634	$ 25,634
Unlisted stocks	45,380	57,673
	71,014	83,307
Valuation adjustment	5,017	38,525
	$ 76,031	$ 121,832

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $472,962 and $438,048 as at December 31, 2022 and 2021, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2022	Year ended December 31, 2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 7,654)	$ 72,980
Cumulative losses reclassified to retained earnings due to derecognition	($ 1,828)	($ 23,052)

C. As at December 31, 2022 and 2021, without taking into account any collateral held, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $472,962 and $438,048, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Non-current items：		
Time deposits over twelve months	$ 388,555	$ 252,134
Segregated deposit account for repatriated offshore funds	-	18,224
	$ 388,555	$ 270,358

A. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $388,555 and $270,358, respectively.

B. The Group has no financial assets at amortised cost pledged to others as collateral.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Groups expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 113,270	$ 125,519
Less: Allowance for uncollectible accounts	(146)	(37)
	$ 113,124	$ 125,482
Accounts receivable	$ 2,584,888	$ 2,181,882
Accounts receivable-related parties	-	436
Less: Allowance for uncollectible accounts	(270,761)	(220,726)
	$ 2,314,127	$ 1,961,592
Overdue receivable (shown as other non-current assets)	$ 14,579	$ 56,110
Less: Allowance for uncollectible accounts	(14,579)	(56,110)
	$ -	$ -

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due to 60 days	$ 2,327,016	$ 113,270	$ 2,036,639	$ 125,505
61 to 120 days	127,932	-	18,310	14
121 to 180 days	59,516	-	507	-
Over 180 days	70,424	-	126,862	-
	$ 2,584,888	$ 113,270	$ 2,182,318	$ 125,519

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to $2,205,448.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $113,124 and $125,482; $2,314,127 and $1,961,592, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 267,025	($ 94,481)	$ 172,544
Work in progress	617,305	(135,538)	481,767
Finished goods	400,825	(104,303)	296,522
Total	$ 1,285,155	($ 334,322)	$ 950,833

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 311,420	($ 111,083)	$ 200,337
Work in progress	664,564	(80,463)	584,101
Finished goods	469,385	(102,067)	367,318
Total	$ 1,445,369	($ 293,613)	$ 1,151,756

The cost of inventories recognised as expense for the period:

	Year ended December 31, 2022	Year ended December 31, 2021
Cost of goods sold and others	$ 3,327,592	$ 3,802,048
Loss on decline (Gain on reversal of decline) in market value	87,700	(28,295)
Loss on physical inventory	43,679	7,671
Total	$ 3,458,971	$ 3,781,424

The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of sold inventory for the year ended December 31, 2021.

(7) Investments accounted for using equity method

		December 31, 2022		December 31, 2021
Associates:				
Gallant Precision Machining Co., Ltd.	$	987,324	$	901,999
Gallant Micro. Machining Co., Ltd.		105,046		92,375
Alpha-Cure Asia Co., Ltd.		67,052		71,837
Viewmove Technologies, Inc.		38,926		40,661
	$	1,198,348	$	1,106,872

Associates

A. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2022	December 31, 2021		
Gallant Precision Machining Co., Ltd.	Taiwan	27.38%	27.12%	Business strategy	Equity method
Gallant Micro. Machining Co., Ltd.	Taiwan	22.23% (Note1)	22.84% (Note1)	Business strategy	Equity method
Alpha-Cure Asia Co., Ltd.	China	25.00%	25.00%	Business strategy	Equity method
Viewmove Technologies, Inc.	Taiwan	20.70%	20.70% (Note2)	Business strategy	Equity method

Note 1: It refers to the comprehensive shareholding ratio including shares of investees directly held by the Group and indirectly held through the associate.

Note 2: The shares of Viewmove Technologies, Inc. held by the Group were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Group cumulatively increased its shareholdings in Viewmove Technologies, Inc. on February 1, 2021, and the Group obtained the significant influence over it.

B.The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Gallant Precision Machining Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 5,631,173	$ 4,686,670
Non-current assets	2,265,188	2,109,741
Current liabilities	(3,902,059)	(3,093,171)
Non-current liabilities	(752,533)	(794,921)
Total net assets	$ 3,241,769	$ 2,908,319
Share in associate's net assets	$ 723,190	$ 652,861
Goodwill	264,134	249,138
Carrying amount of the associate	$ 987,324	$ 901,999

	Gallant Micro. Machining Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 1,973,083	$ 1,778,250
Non-current assets	644,883	696,990
Current liabilities	(1,153,863)	(1,201,805)
Non-current liabilities	(262,121)	(267,466)
Total net assets	$ 1,201,982	$ 1,005,969
Share in associate's net assets	$ 76,976	$ 66,414
Goodwill	28,070	25,961
Carrying amount of the associate	$ 105,046	$ 92,375

Statement of comprehensive income

	Gallant Precision Machining Co., Ltd.	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	$ 4,733,976	$ 4,811,375
Profit for the year from continuing operations	$ 492,215	$ 321,231
Other comprehensive (loss) income, net of tax	(65,308)	89,928
Total comprehensive income	$ 426,907	$ 411,159
Dividends received from associates	$ 66,658	$ 42,497

	Gallant Micro. Machining Co., Ltd.	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	$ 1,482,663	$ 1,482,315
Profit for the year from continuing operations	$ 229,693	$ 156,905
Other comprehensive (loss) income, net of tax	(28,326)	46,587
Total comprehensive income	$ 201,367	$ 203,492
Dividends received from associates	$ 9,060	$ 5,436

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to $105,978 and $112,498, respectively.

	Year ended December 31, 2022	Year ended December 31, 2021
Profit for the year from continuing operations	$ 14,038	$ 36,387
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 14,038	$ 36,387
Dividends received from associates	$ 12,443	$ 10,754

D.The Group's material associate Gallant Precision Machining Co., Ltd. has quoted market prices. As of December 31, 2022 and 2021, the fair values were $1,235,344 and $1,500,429, respectively.

E. The Group's material associate Gallant Micro. Machining Co., Ltd. has quoted market prices. As of December 31, 2022 and 2021, the fair values were $163,406 and $193,884, respectively.

F. The Group is the single largest shareholder of Gallant Precision Machining Co., Ltd. with a 27.38% equity interest. Given that the key management of the Company and Gallant Precision Machining Co., Ltd. is not the same, which indicates that the Group has no current ability to direct the relevant activities of Gallant Precision Machining Co., Ltd., the Group has no control, but only has significant influence, over the investee.

G. The gain on investments accounted for under equity method amounted to $129,470 and $82,241 for the years ended December 31, 2022 and 2021, respectively.

(8) Property, plant and equipment

	2022							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 247,088	$ 668,290	$ 118,550	$ 114,370	$ 34,042	$ 179,104	$ 12,616	$ 1,374,060
Accumulated depreciation	-	(238,227)	(101,153)	(87,556)	(23,115)	(145,798)	-	(595,849)
	$ 247,088	$ 430,063	$ 17,397	$ 26,814	$ 10,927	$ 33,306	$ 12,616	$ 778,211
Opening net book amount as at January 1	$ 247,088	$ 430,063	$ 17,397	$ 26,814	$ 10,927	$ 33,306	$ 12,616	$ 778,211
Additions	22,943	13,270	5,067	16,512	3,768	25,788	2,585	89,933
Disposals	-	-	(136)	(40)	(1,185)	(145)	-	(1,506)
Reclassifications (Note)	-	816	22	8,114	-	624	(12,616)	(3,040)
Depreciation charge	-	(21,471)	(4,965)	(15,230)	(3,483)	(13,230)	-	(58,379)
Net exchange differences	-	2,254	265	124	129	402	-	3,174
Closing net book amount as at December 31	$ 270,031	$ 424,932	$ 17,650	$ 36,294	$ 10,156	$ 46,745	$ 2,585	$ 808,393
At December 31								
Cost	$ 270,031	$ 686,028	$ 112,200	$ 108,589	$ 26,324	$ 191,971	$ 2,585	$ 1,397,728
Accumulated depreciation	-	(261,096)	(94,550)	(72,295)	(16,168)	(145,226)	-	(589,335)
	$ 270,031	$ 424,932	$ 17,650	$ 36,294	$ 10,156	$ 46,745	$ 2,585	$ 808,393

Note：It refers to construction in progress and prepayment for equipment transferred to buildings and structures amounting to $816, machinery and equipment amounting to $22, office equipment amounting to $8,114, other equipment amounting to $624, intangible assets amounting to $3,040.

	2021							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 174,128	$ 642,066	$ 122,697	$ 108,383	$ 30,521	$ 177,480	$ 3,388	$ 1,258,663
Accumulated depreciation	-	(215,894)	(99,839)	(78,506)	(25,892)	(129,313)	-	(549,444)
	$ 174,128	$ 426,172	$ 22,858	$ 29,877	$ 4,629	$ 48,167	$ 3,388	$ 709,219
Opening net book amount as at January 1	$ 174,128	$ 426,172	$ 22,858	$ 29,877	$ 4,629	$ 48,167	$ 3,388	$ 709,219
Additions	72,960	27,276	840	10,259	13,022	3,917	10,523	138,797
Disposals	-	-	(552)	(270)	(4,097)	(194)	-	(5,113)
Reclassifications(Note)	-	-	-	280	-	156	(1,294)	(858)
Depreciation charge	-	(22,712)	(5,724)	(13,161)	(2,613)	(18,757)	-	(62,967)
Net exchange differences	-	(673)	(25)	(171)	(14)	17	(1)	(867)
Closing net book amount as at December 31	$ 247,088	$ 430,063	$ 17,397	$ 26,814	$ 10,927	$ 33,306	$ 12,616	$ 778,211
At December 31								
Cost	$ 247,088	$ 668,290	$ 118,550	$ 114,370	$ 34,042	$ 179,104	$ 12,616	$ 1,374,060
Accumulated depreciation	-	(238,227)	(101,153)	(87,556)	(23,115)	(145,798)	-	(595,849)
	$ 247,088	$ 430,063	$ 17,397	$ 26,814	$ 10,927	$ 33,306	$ 12,616	$ 778,211

Note：It refers to construction in progress and prepayment for equipment transferred to office equipment amounting to $280, other equipment amounting to $156, intangible assets amounting to $616, and expenses amounting to $242.

A. There were no borrowing costs capitalized as part of property, plant and equipment for the years ended December 31, 2022 and 2021, respectively.

B. The Group's buildings and structures include buildings and improvements, decoration works and hydroelectric engineering which are depreciated over 56 years, 2 to 51 years and 5 to 8 years, respectively.

C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, photocopiers, business vehicles. Land contract is typically made for periods of 26 to 50 years and other rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise photocopiers and business vehicles, which were excluded from the right-of-use assets.

C. The carrying amount of the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	$ 47,508	$ 48,325
Buildings	821	927
Transportation equipment (Business vehicles)	23,326	19,850
Office equipment (Photocopiers)	1,355	116
	$ 73,010	$ 69,218

	Year ended December 31, 2022	Year ended December 31, 2021
	Depreciation charge	Depreciation charge
Land	$ 1,518	$ 1,487
Buildings	1,549	5,934
Transportation equipment (Business vehicles)	12,355	7,189
Office equipment (Photocopiers)	391	417
	$ 15,813	$ 15,027

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $19,856 and $19,925, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 508	$ 225
Expense on short-term lease contracts	13,577	6,356
Expense on leases of low-value assets	370	306

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $29,596 and $20,716, respectively.

(10) Leasing arrangements – lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 6 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. For the years ended December 31, 2022 and 2021, the Group recognised rent income in the amounts of $12,672 and $12,234, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2022		December 31, 2021
2023	$ 8,541	2022	$ 12,124
2024	8,190	2023	8,363
2025	8,190	2024	8,019
2026	8,190	2025	8,019
After 2027	25,695	After 2026	33,177
Total	$ 58,806	Total	$ 69,702

(11) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 695,000	1.55%~2.11%	None

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 694,981	0.76%~0.95%	None

(12) Financial liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities held for trading		
Derivative instruments	$ 329	$ 3,399

A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Net gains (losses) recognised in profit		
Financial liabilities held for trading		
Derivative instruments	($ 166)	$ 1,265

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	December 31, 2022		
Derivative financial liabilities	Contract amount (Notional principal) (in thousands)		Contract period
Current items:			
Foreign exchange swap contracts	USD	3,000	2022/11-2023/2

	December 31, 2021		
Derivative financial liabilities	Contract amount (Notional principal) (in thousands)		Contract period
Current items:			
Foreign exchange swap contracts	USD	11,800	2021/11-2022/3
	USD	34,300	2021/11-2022/2
	USD	620,000	2021/11-2022/3
	USD	27,828	2021/12-2022/3

Foreign exchange swap contracts

The Group entered into foreign exchange swap contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations. However, these foreign exchange contracts are not accounted for under hedge accounting.

(13) Other payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	$ 371,017	$ 375,394
Employees' compensation and directors' remuneration payable	28,304	25,200
Pension payable	25,917	25,378
Accrued annual leave	25,555	22,756
Payable on machinery and equipment	41	97
Others	371,359	326,102
	$ 822,193	$ 774,927

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from July 27, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 100,000
Unsecured borrowings	Borrowing period is from August 20, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	100,000
Unsecured borrowings	Borrowing period is from October 24, 2022 to October 23, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from June 9, 2020 to October 23, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	180,000
Secured borrowings	Borrowing period is from June 9, 2020 to October 23, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	33,000
Secured borrowings	Borrowing period is from February 20, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	225,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	18,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	99,000
Secured borrowings	Borrowing period is from August 18,2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Note	100,000
Unsecured borrowings	Borrowing period is from October 12, 2022 to October 12, 2024; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	95,000
				1,100,000
Less: Long-term liabilities,current portion				(344,000)
				$ 756,000

Interest rate range: 1.42%~1.80%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from July 27, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 100,000
Unsecured borrowings	Borrowing period is from August 20, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	100,000
Secured borrowings	Borrowing period is from June 9, 2020 to June 8, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	180,000
Secured borrowings	Borrowing period is from June 9, 2020 to June 8, 2023; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	33,000
Secured borrowings	Borrowing period is from February 20, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	300,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	24,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	108,000
				845,000
Less: Long-term liabilities,current portion				(105,250)
				$ 739,750

Interest rate range: 0.52%~0.88%

Note: In order to repay the existing bank loans and replenish the medium-term working capital, the Company has pledged the property (please refer to Note 8 for details) to the management bank as collateral.

According to the abovementioned loan agreement, the Company agreed to provide the consolidated financial statements audited by CPA annually and maintain the following financial ratios and agreements before the full settlement of the debts during the duration of agreement:

A. Current ratio: Current assets against current liabilities shall be at least 120%.

B. Debt ratio: Debt against net tangible assets shall be no more than 200%.

C. Interest coverage ratio: The net profit before tax plus interest expense plus depreciation expense and amortisation expense divided by interest expense shall be at least three times.

D. Net tangible assets: the net asset value less intangible shall be no less than $2 billion.

As of December 31, 2022 and 2021, the consolidated financial statements of the Group met the requirements of the financial ratio limits.

(15) Pensions

A. (a)The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 139,710)	($ 164,272)
Fair value of plan assets	151,131	141,673
Net defined benefit liability	$ 11,421	($ 22,599)

(c) Movements in net defined benefit liabilities are as follows:

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 164,272)	$ 141,673	($ 22,599)
Current service cost	(634)	-	(634)
Interest (expense) income	(821)	726	(95)
	(165,727)	142,399	(23,328)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	10,917	10,917
Change in demographic assumptions	(558)	-	(558)
Change in financial assumptions	7,928	-	7,928
Experience adjustments	6,925	-	6,925
	14,295	10,917	25,212
Pension fund contribution	-	9,537	9,537
Paid pension	11,722	(11,722)	-
At December 31	($ 139,710)	$ 151,131	$ 11,421

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 150,560)	$ 130,720	($ 19,840)
Current service cost	(635)	-	(635)
Interest (expense) income	(753)	677	(76)
	(151,948)	131,397	(20,551)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,650	1,650
Change in demographic assumptions	(4,738)	-	(4,738)
Experience adjustments	(8,497)	-	(8,497)
	(13,235)	1,650	(11,585)
Pension fund contribution	-	9,537	9,537
Paid pension	911	(911)	-
At December 31	($ 164,272)	$ 141,673	($ 22,599)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Discount rate	1.5%	0.5%
Future salary increases	3.5%	3%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	$ 3,623	($ 3,760)	($ 3,626)	$ 3,514
December 31, 2021				
Effect on present value of defined benefit obligation	$ 4,415	($ 4,587)	($ 4,402)	$ 4,261

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $9,537.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	3,481
1-2 year(s)		3,434
2-5 years		19,615
Over 5 years		38,480
	$	65,010

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage was 10%~20%, respectively. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were $14,841 and $13,683, respectively.

(16) Share-based payment (there was no such transaction as of December 31, 2021)

A. For the year ended December 31, 2022, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stock transferred to employees	March 11, 2022	715 thousand shares	-	Vested immediately

B. The weighted-average stock price of stock options at exercise dates as of March 11, 2022 was $49.3 per share. The exercise prices of stock options was $58 per share. There were no expenses incurred on share-based payment transactions for the year ended December 31, 2022.

(17) Share capital

A. As of December 31, 2022, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was $1,567,553 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (thousand shares) outstanding are as follows:

	2022	2021
At January 1	151,475	149,206
Stock dividends	4,565	2,984
Repurchase treasury shares	-	(715)
Treasury stock sold to employees	715	-
At December 31	156,755	151,475

B. On May 25, 2021, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 1,000 thousand shares. Aforementioned shares will be reissued to employees. As of December 31, 2022, the accumulated number of shares which are repurchased by the Company is 715 thousand shares. The treasury shares were reissued to employees for the year ended December 31, 2022.

C. The stockholders at their meeting on June 9, 2022 resolved to increase capital by 4,566 thousand shares with a par value of $10 per share through capitalization of unappropriated retained earnings of $45,657 Pursuant to the approval by the Financial Supervisory Commission, Securities and Futures Bureau, the capital increase was effective on July 15, 2022.

D. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows: (there was no such transaction as of December 31, 2022)

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	No. of shares (in thousands)	Book value
The Company	To be reissued to employees	715	$ 41,977

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

The details of capital surplus are as follows:

	2022						
	Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee restricted shares	Net change in equity of associates
January 1	$ 85,584	$ 133,672	$ 11,761	$ 1,776	$ 10,951	$ 7	$ 243,751
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	29,942	-	29,942
December 31	$ 85,584	$ 133,672	$ 11,761	$ 1,776	$ 40,893	$ 7	$ 273,693

	2021						
	Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee restricted shares	Net change in equity of associates
At January 1	$ 85,584	$ 133,672	$ 11,761	$ 1,776	$ -	$ 7	$ 232,800
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	10,951	-	10,951
December 31	$ 85,584	$ 133,672	$ 11,761	$ 1,776	$ 10,951	$ 7	$ 243,751

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Stock dividends should be appropriated at a rate of 20% per annum. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting. In accordance with the law, the Company authorised the distributable dividends and bonuses in whole or in part may be paid in cash after a special resolution has been adopted by the Board of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The appropriation of 2021 and 2020 earnings had been resolved at the stockholders' meeting on June 9, 2022 and July 8, 2021, respectively. Details are summarized below:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 64,632		$ 46,555	
Special reserve	(53,977)		53,977	
Cash dividends	456,569	$ 3.0	373,014	$ 2.5
Stock dividends	45,656	0.3	29,842	0.2
	$ 512,880	$ 3.3	$ 503,388	$ 2.7

E. On February 24, 2023, the Board of Directors proposed for the distribution of cash dividends from the 2022 earnings in the amount of $564,319 at $3.6 (in dollars) per share.

(20) Other equity items

	2022			
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Other	Total
At January 1	$ 102,636	($ 132,689)	$ 530	($ 29,523)
Valuation adjustment	(29,292)	-	-	(29,292)
Disposal transferred out from retained earnings	(1,828)	-	-	(1,828)
Currency translation differences:				
-Group	-	28,936	-	28,936
-Associate	-	2,218	-	2,218
At December 31	$ 71,516	($ 101,535)	$ 530	($ 29,489)

	2021			
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Other	Total
At January 1	$ 29,123	($ 135,531)	$ 530	($ 105,878)
Valuation adjustment	96,565	-	-	96,565
Disposal transferred out from retained earnings	(23,052)	-	-	(23,052)
Currency translation differences:				
-Group	-	1,791	-	1,791
-Associate	-	1,051	-	1,051
At December 31	$ 102,636	($ 132,689)	$ 530	($ 29,523)

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended December 31, 2022	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.		Suzhou Top Creation Machines Co., Ltd.			Other			
	Taiwan	China	Other	China	Other	Taiwan	China	Other	Taiwan	China	Other	Total
Timing of revenue recognition												
At a point in time	$ 1,432,434	$ 1,132,782	$ 80,601	$ 909,214	$ 6,923	$ 58,202	$ 1,487,490	$ 95,859	$ 58,794	$ 2,349	$ 208	$ 5,264,856
Over time	102,120	-	-	-	-	-	-	-	-	-	-	102,120
Total	$ 1,534,554	$ 1,132,782	$ 80,601	$ 909,214	$ 6,923	$ 58,202	$ 1,487,490	$ 95,859	$ 58,794	$ 2,349	$ 208	$ 5,366,976

For the year ended December 31, 2021	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.		Suzhou Top Creation Machines Co., Ltd.			Other			
	Taiwan	China	Other	China	Other	Taiwan	China	Other	Taiwan	China	Other	Total
Timing of revenue recognition												
At a point in time	$ 985,891	$ 1,652,046	$ 206,768	$ 1,126,474	$ 2,119	$ 329,779	$ 1,222,645	$ 83,860	$ 24,650	$ 5,613	$ -	$ 5,639,845
Over time	83,420	-	-	-	-	-	-	-	-	-	-	83,420
Total	$ 1,069,311	$ 1,652,046	$ 206,768	$ 1,126,474	$ 2,119	$ 329,779	$ 1,222,645	$ 83,860	$ 24,650	$ 5,613	$ -	$ 5,723,265

B. Contract liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities	$ 669,327	$ 520,329	$ 560,006

Revenue recognised that was included in the contract liability balance at the beginning of the period

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ 517,855	$ 514,393

(22) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	$ 21,321	$ 22,141

(23) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Rent income	$ 12,672	$ 12,234
Dividend income	32,830	16,097
Other income	10,088	15,892
	$ 55,590	$ 44,223

(24) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Gains (losses) on disposal of property, plant and equipment	$ 395	($ 351)
Gains on disposal of investments	815	4,917
Net currency exchange gains	33,451	971
Net gains on financial (liabilities) assets at fair value through profit	24,625	1,422
Other losses	(3,591)	(4,169)
	$ 55,695	$ 2,790

(25) Finance costs

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense :		
Bank loan	$ 30,636	$ 16,314
Lease liabilities	508	225
	$ 31,144	$ 16,539

(26) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Employee benefit expenses	$ 898,616	$ 894,256
Depreciation charges on property, plant and equipment, and right-of-use assets	$ 74,192	$ 77,994
Amortisation charges	$ 6,242	$ 5,813

(27) Employee benefit expenses

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 779,060	$ 792,655
Labour and health insurance fees	61,722	50,153
Pension costs	15,570	14,394
Other personnel expenses	42,264	37,054
	$ 898,616	$ 894,256

A. The current year's earnings, if any, shall be distributed a ratio of 1%~9% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. Qualification requirements of employees include the employees of subsidiaries of the company meeting certain specific requirements. The Company shall distribute directors' remuneration no more than 2.25% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.

If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $8,709 and $7,754, respectively; while directors' remuneration was accrued at $19,595 and $17,446, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 2.25% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $8,709 and $19,595, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the period	$ 128,911	$ 127,374
Prior year income tax overestimation	(9,560)	(16,771)
Tax on undistributed earnings	6,672	-
Separate taxation of repatriated offshore funds	-	4,645
Total current tax	126,023	115,248
Deferred tax:		
Origination and reversal of temporary differences	52,120	43,318
Income tax expense	$ 178,143	$ 158,566

(b) The income tax credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Currency translation differences	$ 5,026	$ 883

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate (note)	$ 263,802	$ 263,980
Tax exempt income by tax regulation	(32,197)	(32,981)
Temporary differences not recognised as deferred tax assets	-	8,024
Effect from investment tax credits	(31,922)	(58,556)
Change in assessment of realisation of deferred tax assets	(18,652)	(7,280)
Prior year income tax estimation	(9,560)	(16,771)
Income tax paid in and for income derived from Mainland China	-	(1,320)
Influence of loss deduction	-	(1,175)
Tax on undistributed earnings	6,672	-
Separate taxation of repatriates offshore funds	-	4,645
Income tax expense	$ 178,143	$ 158,566

Note：The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Unrealised exchange loss	$ 9,638	($ 9,484)	$ -	$ 154
Unrealised inventory valuation loss	36,908	9,323	-	46,231
Allowance for uncollectible accounts in excess of tax limits	25,156	11,181	-	36,337
Defined benefit plan	10,058	-	-	10,058
Currency translation differences	6,380	-	(5,026)	1,354
Other	28,069	2,290	-	30,359
	$ 116,209	$ 13,310	($ 5,026)	$ 124,493
—Deferred tax liabilities:				
Investment income recognised under equity method	($ 333,173)	($ 55,346)	$ -	($ 388,519)
Defined benefit plan	(14,275)	(1,799)	-	(16,074)
Land value increment tax	(22,843)	-	-	(22,843)
Other	(798)	(8,285)	-	(9,083)
	($ 371,089)	($ 65,430)	$ -	($ 436,519)
	($ 254,880)	($ 52,120)	($ 5,026)	($ 312,026)

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Unrealised exchange loss	$ 12,119	($ 2,481)	$ -	$ 9,638
Unrealised inventory valuation loss	30,633	6,275	-	36,908
Allowance for uncollectible accounts in excess of tax limits	29,957	(4,801)	-	25,156
Defined benefit plan	10,058	-	-	10,058
Currency translation differences	7,263	-	(883)	6,380
Other	30,264	(2,195)	-	28,069
	$ 120,294	($ 3,202)	($ 883)	$ 116,209
—Deferred tax liabilities:				
Investment income recognised under equity method	($ 291,070)	($ 42,103)	$ -	($ 333,173)
Defined benefit plan	(12,509)	(1,766)	-	(14,275)
Land value increment tax	(22,843)	-	-	(22,843)
Other	(4,551)	3,753	-	(798)
	($ 330,973)	($ 40,116)	$ -	($ 371,089)
	($ 210,679)	($ 43,318)	($ 883)	($ 254,880)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Wat Sun(Note):				
2012	$ 55,080	$ 53,295	$ 53,295	2022
2013	78,864	78,864	78,864	2023
2014	66,493	66,493	66,493	2024
2015	209,106	209,106	209,106	2025
2016	414,805	414,805	414,805	2026
2017	252,378	252,378	252,378	2027
Top Creation:				
2018	1,587	562	562	2028
2019	2,324	2,324	2,324	2029
2020	5,256	5,256	5,256	2030

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Wat Sun(Note):				
2012	$ 55,080	$ 55,080	$ 55,080	2022
2013	78,864	78,864	78,864	2023
2014	66,493	66,493	66,493	2024
2015	209,106	209,106	209,106	2025
2016	414,805	414,805	414,805	2026
2017	252,378	252,378	252,378	2027
Top Creation:				
2018	1,587	562	562	2028
2019	2,324	2,324	2,324	2029
2020	5,256	5,256	5,256	2030

Note: Wat Sun. Intelligent Technology Co., Ltd. was dissolved on July 14, 2022. As of December 31,2022, the liquidation process has not yet been completed.

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 103,788	$ 131,546

F. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(29) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 718,965	156,616	$ 4.59
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	229	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 718,965	156,845	$ 4.58

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 660,294	156,407	$ 4.22
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	170	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 660,294	156,577	$ 4.22

Note: For the years ended December 31, 2022 and 2021, the outstanding weighted average shares was retrospectively adjusted based on the capitalised amount of unappropriated earnings at the ratio of 103% and 102%, respectively.

(30) Supplemental cash flow information

Investing activities with partial cash payments：

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of property, plant and equipment	$ 89,933	$ 138,797
Add: Opening balance of payable on equipment	97	504
Less: Ending balance of payable on equipment	(41)	(97)
Cash paid during the period	$ 89,989	$ 139,204

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Total
January 1, 2022	$ 694,981	$ 845,000	$ 2,142	$ 20,970	$ 1,563,093
Changes in cash flow from financing activities	19	255,000		(15,141)	239,878
Interest expense	-	-	-	508	508
Paid interest	-	-	-	(508)	(508)
Impact of changes in foreign exchange rate	-	-		(29)	(29)
Changes in other non-cash items	-	-	-	19,856	19,856
December 31, 2022	$ 695,000	$ 1,100,000	$ 2,142	$ 25,656	$ 1,822,798

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Total
January 1, 2021	$ 570,600	$ 732,000	$ 2,065	$ 14,902	$ 1,319,567
Changes in cash flow from financing activities	124,381	113,000	85	(13,829)	223,637
Interest expense	-	-	-	225	225
Paid interest	-	-	-	(225)	(225)
Impact of changes in foreign exchange rate	-	-	(8)	(28)	(36)
Changes in other non-cash items	-	-	-	19,925	19,925
December 31, 2021	$ 694,981	$ 845,000	$ 2,142	$ 20,970	$ 1,563,093

Note 1: Including long-term borrowings - current portion.

Note 2: Including lease liability - current portion.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Alpha-Cure Asia Co.,Ltd.	Associate
Gallant Precision Machining Co., Ltd.	Associate
Gallant Micro. Machining Co., Ltd.	Associate
Viewmove Technologies,Inc.	Associate

(2) Significant related party transactions

A. Operating revenue:

	Year ended December 31, 2022	Year ended December 31, 2021
Sales of goods:		
Associates	$ -	$ 415

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases:

	Year ended December 31, 2022	Year ended December 31, 2021
Purchases of goods:		
Associates	$ 67,888	$ 49,394

The prices and conditions for the purchase of goods is based on agreement and there is no other comparable counterparty. The credit terms would be available to third parties.

C. Receivables from related parties:

	December 31, 2022	December 31, 2021
Accounts receivable:		
Associates	$ -	$ 436

D. Payables to related parties:

	December 31, 2022	December 31, 2021
Accounts payable:		
Associates	$ 21,755	$ 30,985

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

(3) Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and other short-term employee benefits	$ 60,925	$ 58,041
Post-employment benefits	380	380
	$ 61,305	$ 58,421

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2022	Book value December 31, 2021	Purpose
Property, plant and equipment	509,014	426,122	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

Except for the descriptions in other notes to the consolidated financial statements, the Group's significant commitments and contingencies as of the balance sheet date are as follows:

Promissory notes issued for performance guarantees of sales as of December 31, 2022 and 2021 were $317,122 and $69,116, respectively.

(2) Commitments

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to table 6(19).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2022, the Group's strategy was to maintain the gearing ratio within reasonable risk level. The gearing ratios at December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total borrowings	$ 1,795,000	$ 1,539,981
Less: Cash and cash equivalents	(1,371,810)	(1,060,848)
Net debt	423,190	479,133
Total equity	3,477,814	3,049,762
Total capital	$ 3,901,004	$ 3,528,895
Gearing ratio	10.85%	13.58%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 206,181	$ 87,008
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 472,962	$ 438,048
Financial assets at amortised cost		
Cash and cash equivalents	$ 1,371,810	$ 1,060,848
Financial assets at amortised cost	388,555	270,358
Notes receivable	113,124	125,482
Accounts receivable (including related party)	2,314,127	1,961,592
Other receivables (including related party)	15,960	18,683
Guarantee deposits paid	12,069	14,443
	$ 4,215,645	$ 3,451,406

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 329	$ 3,399
Financial liabilities at amortised cost		
Short-term borrowings	$ 695,000	$ 694,981
Notes payable	18,689	40,504
Accounts payable (including related party)	825,072	915,410
Other accounts payable	822,193	774,927
Long-term borrowings (including current portion)	1,100,000	845,000
Guarantee deposits received	2,160	2,142
	$ 3,463,114	$ 3,272,964
Lease liability (including current portion)	$ 25,656	$ 20,970

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD/RMB)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 18,655	30.71	$ 572,895
JPY:NTD	245,178	0.2324	56,979
RMB:NTD	90,007	4.408	396,751
USD:RMB	2,906	6.9646	20,239
Non-monetary items			
USD:NTD	$ 2,187	30.71	67,052
Financial liabilities			
Monetary items			
USD:NTD	$ 51	30.71	$ 1,566
JPY:NTD	4,432	0.2324	1,030
Non-monetary items: None			

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD/RMB)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 43,536	27.63	$ 1,202,900
JPY:NTD	218,993	0.239	52,339
RMB:NTD	26,187	4.319	113,102
USD:RMB	5,765	6.367	36,706
Non-monetary items			
USD:NTD	$ 2,600	27.63	$ 71,837
Financial liabilities			
Monetary items			
USD:NTD	$ 21,631	27.73	$ 599,828
JPY:NTD	20,067	0.2425	4,866
Non-monetary items: None			

ii. Total exchange (loss) gain including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to $33,451 and $971, respectively.

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,729	$ -
JPY:NTD	1%	570	-
RMB:NTD	1%	3,968	-
USD:RMB	1%	202	-
Non-monetary items			
USD:NTD	1%	$ -	$ 671
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 16)	$ -
JPY:NTD	1%	(10)	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 12,029	$ -
JPY:NTD	1%	523	-
RMB:NTD	1%	1,131	-
USD:RMB	1%	367	-
Non-monetary items			
USD:NTD	1%	$ -	$ 718
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 5,998)	$ -
JPY:NTD	1%	(49)	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $1,615 and $696, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $3,784 and $3,504, respectively.

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from short-term and certain long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were denominated in New Taiwan dollars, if the market interest rate had increased by 0.25%, the Company's cash outflow would have increased by $1,738 and $1,737, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group measured actual transaction status. If the contract payments were past based on the term, the default has occurred.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of December 31, 2022 and 2021, respectively, the provision matrix is as follows:

	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
At December 31, 2022					
Expected loss rate	0%~30%	37%~42%	50%~55%	60%~100%	
Total book value	$2,440,286	$ 127,932	$ 59,516	$ 70,424	$2,698,158
Loss allowance	($ 141,590)	($ 40,545)	($ 33,800)	($ 54,972)	($ 270,907)
At December 31, 2021					
Expected loss rate	0%~100%	0%~100%	4%~100%	10%~100%	
Total book value	$2,162,144	$ 18,324	$ 507	$ 126,862	$2,307,837
Loss allowance	($ 178,197)	($ 5,851)	($ 481)	($ 36,234)	($ 220,763)

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2022		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 220,726	$ 37	$ 56,110
(Reversal of) provision for impairment	55,930	109	(42,530)
Write-offs	(6,237)	-	-
Effect of foreign exchange	342	-	999
At December 31	$ 270,761	$ 146	$ 14,579

	2021		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 225,883	$ 23	$ 69,321
provision for impairment	630	15	-
Reversal of impairment	-	-	(5,466)
Write-offs	(5,656)	-	(7,504)
Effect of foreign exchange	(131)	(1)	(241)
At December 31	$ 220,726	$ 37	$ 56,110

The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. For financial instruments at amortised cost, the credit rating levels are presented below:

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 388,555	$ -	$ -	$ 388,555

	December 31, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 270,358	$ -	$ -	$ 270,358

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2022 and 2021, the Group held money market position of $1,369,238 and $1,057,804, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Fixed rate:		
Expiring within one year	$ 1,835,000	$ 1,810,190
Expiring beyond one year	241,000	200,000
	$ 2,076,000	$ 2,010,190

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 695,000	$ -	$ -	$ -
Notes payable	18,689	-	-	-
Accounts payable (including related party)	825,072	-	-	-
Other payables	822,193	-	-	-
Lease liability (including current portion)	14,334	11,742	-	-
Long-term borrowings (including current portion)	349,869	663,224	106,897	-
Guarantee deposits received	-	1,630	-	530
Derivative financial liabilities:				
Foreign exchange swap contracts	329	-	-	-

December 31, 2021	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 694,981	$ -	$ -	$ -
Notes payable	40,504	-	-	-
Accounts payable (including related party)	915,410	-	-	-
Other payables	774,927	-	-	-
Lease liability (including current portion)	10,255	11,016	-	-
Long-term borrowings (including current portion)	109,041	714,641	36,506	-
Guarantee deposits received	86	1,522	522	12
Derivative financial liabilities:				
Foreign exchange swap contracts	3,399	-	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates and convertible bonds is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is include in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and investment property is included in Level 3.

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 201,852	$ -	$ -	$ 201,852
Debt securities	3,300	-	-	3,300
Derivative instruments	1,029	-	-	1,029
Financial assets at fair value through other comprehensive income				
Equity securities	396,931	-	76,031	472,962
	$ 603,112	$ -	$ 76,031	$ 679,143
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 329)	$ -	($ 329)

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 87,008	$ -	$ -	$ 87,008
Financial assets at fair value through other comprehensive income				
Equity securities	316,216	-	121,832	438,048
	$ 403,224	$ -	$121,832	$ 525,056
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 3,399)	$ -	($ 3,399)

(b)The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund	Convertible bond
Market quoted price	Closing price	Net asset value	Weighted average quoted price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

C. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

D. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
At January 1	$ 121,832	$ 114,638
Gain recognised in other comprehensive income		
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	(33,099)	48,497
Acquired in the period	-	11,172
Sold in the period	(11,871)	(511)
Transfer to investment accounted for under equity method	-	(38,561)
Proceeds from capital reduction	(2,124)	(11,798)
Transfer out from level 3	-	(1,275)
Effect of exchange rate	1,293	(330)
At December 31	$ 76,031	$ 121,832

E. For the year ended December 31, 2022, there was no transfer into or out from Level 3.

F. Accounting Department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 62,807	Market comparable companies	Price to book ratio multiple	7.8~12.14	The higher the multiple and control premium, the higher the fair
Venture capital shares Private equity fund	13,224	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 97,963	Market comparable companies	Price to book ratio multiple	1.82~19.9	The higher the multiple and control premium, the higher the fair
Venture capital shares Private equity fund	23,869	Net asset value	Not applicable	Not applicable	Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	$ -	$ -	$ 7,603	($ 7,603)

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	$ -	$ -	$ 12,183	($ 12,183)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(12).

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

(2) Measurement of segment information

Management assess the segment performance based on the income (loss) before tax in the consolidated financial statements. The accounting policies of segment are the same with the summary of significant accounting policy in Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2022	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	$ 2,747,937	$ 916,137	$ 1,641,551	$ 61,351	$ -	$ 5,366,976
Inter-segment revenue	$ 269,565	$ 352,900	$ 38,895	$ 30,960	($ 692,320)	$ -
Segment income	$ 842,582	$ 169,685	$ 286,969	$ 40,237	($ 378,708)	$ 960,765
Total segment assets	$ 6,986,105	$ 1,581,587	$ 1,495,517	$ 952,482	($ 2,828,348)	$ 8,187,343

Year ended December 31, 2021	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	$ 2,928,125	$ 1,132,789	$ 1,411,646	$ 250,705	$ -	$ 5,723,265
Inter-segment revenue	$ 453,408	$ 312,209	$ 199,578	$ 40,569	($ 1,005,764)	$ -
Segment income	$ 750,196	$ 162,275	$ 330,312	($ 16,570)	($ 351,241)	$ 874,972
Total segment assets	$ 6,103,336	$ 1,577,231	$ 1,743,626	$ 446,570	($ 2,532,019)	$ 7,338,744

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2022 and 2021 is provided as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Reportable segments income	$ 1,339,473	$ 1,226,213
Other	(378,708)	(351,241)
Income before tax from continuing operations	$ 960,765	$ 874,972

(5) Information on products and services

Revenue from external customers is mainly from manufacturing electronics and semiconductor equipment and selling automation system integration technology.

Details of revenue are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Sales revenue	$ 5,264,856	$ 5,639,845
Service revenue	102,120	83,420
	$ 5,366,976	$ 5,723,265

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 1,651,000	$ 643,823	$ 1,423,737	$ 615,926
China	3,531,835	299,193	4,006,782	289,071
Others	183,591	-	292,746	-
	$ 5,366,426	$ 943,016	$ 5,723,265	$ 904,997

(7) Major customer information

No customers constituted more than 10% of the Group's total revenue for the years ended December 31, 2022 and 2021.

C SUN MFG. LTD. and subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Note 2	$ 638,108	$ 89,160	$ -	$ -	$ -	-	$ 1,595,269	Y	N	Y	
0	C SUN MFG. LTD.	Suzhou Top Creation Machines Co., Ltd.	Note 2	638,108	89,160	-	-	-	-	1,595,269	Y	N	Y	

Note 1: Ceiling on total amount of endorsements/guarantees is 50% of the Company’s net asset value; limit on endorsement/guarantee to a single party is 20% of the Company’s net assets value.
Note 2: The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.

C SUN MFG. LTD. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
C SUN MFG. LTD.	Mufg Fund Services (Singapore) Pte. Ltd. (USD)	None	Financial assets at fair value through profit or loss - current	16,754	$ 70,722	-	$ 70,722	
"	Mufg Fund Services (Singapore) Pte. Ltd. (JPY)	"	"	30,338	96,461	-	96,461	
	Group Up Industrial Co., Ltd. - Unsecured convertible bonds	"	"	30,000	3,300	-	3,300	
"	Group Up Industrial Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	550,000	54,010	1.00	54,010	
"	Ampoc Far-East Co., Ltd.	"	"	5,466,000	236,405	4.78	236,405	
"	Yankey Engineering Co., Ltd.	"	"	44,700	8,895	0.07	8,895	
"	UTECHZONE CO., LTD.	"	"	596,000	47,620	1.00	47,620	
"	INNOLUX CORPORATION	"	"	4,525,000	50,001	0.05	50,001	
"	Advance Materials Corporation	"	Financial assets measured at fair value through other comprehensive income - non-current	1,423,770	11,105	1.21	11,105	
"	Emax Tech Co., Ltd.	Director	"	3,652,554	44,342	10.82	44,342	
"	Hua Da Venture Capital Corporation	"	"	300,000	2,553	6.00	2,553	
"	Luminescence Technology Corp.	None	"	454,000	6,855	1.80	6,855	
"	Aibdt Technology Inc.	"	"	1,624,755	505	1.79	505	
"	Gvt Fund Gp, L.P.	"	"	474,385	8,144	1.51	8,144	
C Sun (B.V.I) Ltd.	Gvt Fund Gp, L.P.	"	"	158,183	2,526	0.66	2,526	
"	Mufg Fund Services (Singapore) Pte. Ltd. (USD)	"	Financial assets at fair value through profit or loss - current	8,200	34,669	-	34,669	

C SUN MFG. LTD. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Sales	$ 263,875	8.75%	Similary to third parties	Similary to third parties	Similary to third parties	$ 38,305	2.95%
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Purchases	354,945	22.31%	Similary to third parties	Similary to third parties	Similary to third parties	(46,025)	(8.69%)

C SUN MFG. LTD. and subsidiaries

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 3)	Percentage of consolidated total operating revenues or total assets (Note 4)
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	1	Sales	$ 263,875	-	4.92
	"	"	1	Service expenses	32,397	-	0.61
	"	"	1	Purchases	354,945	-	6.61
	"	"	1	Accounts payable	46,025	-	0.57
	"	"	1	Accounts receivable	38,305	-	0.47
1	Suzhou Top Creation Machines Co., Ltd.	Power Ever Enterprises Limited	3	Sales	38,895	-	0.72

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column.

(1) Number 0 represents the Company

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows (If transaction of parent company with subsidiaries or transaction in subsidiaries will not expose repeat, for example; If parent company exposed transaction with parent company with subsidiaries, then subsidiaries will not expose that transaction; If one of subsidiary company exposed transaction with other subsidiary company, it will not exposed repeat transaction from other subsidiary company.)

(1) The Company to the consolidated subsidiaries.

(2) The consolidated subsidiaries to the Company

(3) The consolidated subsidiaries to another consolidated subsidiaries.

Note 3: The sales of the parent company with Csun Technology (Guangzhou) Co., Ltd. is strategy division for Corporation, the price set of the transaction is base on the agreement, other transaction with non-parties are same with third parties, Transaction terms for the other transaction can't reference to similary transaction, all is following the agreement agree.

Note 4: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 5: The information only disclosing for the amount of transactions are more than $10,000 and counter parties shall not disclose .

C SUN MFG. LTD. and subsidiaries

Information on investees

For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Vitgin Islands	Investment	$ 356,052	$ 320,922	-	100.00	$ 2,385,339	$ 376,660	$ 376,584	
"	K Sun (Samoa) Ltd.	Samoa	Investment	71,002	63,996	-	100.00	22,190	20	20	
"	Wat Sun. Intelligent Technology Co., Ltd.	Taiwan	Machinery and equipment manufacturing	700,000	700,000	70,000,000	100.00	51,858	1,710	1,710	Note 2
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	888,243	854,584	44,552,827	27.38	987,324	390,200	108,259	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	83,624	83,624	1,859,000	6.57	105,046	229,720	15,909	
"	Viewmove Technologies,Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	27,389	27,389	676,504	20.70	38,926	11,016	2,280	
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	17,812	16,054	580,000	100.00	86,921	2,125	2,125	
"	Power Ever Enterprises Limited	Samoa	Investment	181,496	163,589	-	77.47	1,013,559	282,593	218,936	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	184,260	166,080	6,000,000	100.00	1,300,323	293,764	293,764	
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines Co., Ltd.	Taiwan	Machinery installation and wholesales, Equipment retail and electronic materials wholesale	7,500	7,500	750,000	100.00	2,689	(1,238)	(1,238)	

Note: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.
Note 2: Wat Sun. Intelligent Technology Co., Ltd. was dissolved on July 14, 2022. As of December 31, 2022, the liquidation process has not yet been completed.

C SUN MFG. LTD. and subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31,2022		Accumulated amount of remittance from Taiwan toMainland China as of December 31, 2022	Net profit (loss) of investee for the year ended December 31,2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note2(2))	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Csun Technology (Guangzhou) Co., Ltd.	Manufacturing, installing, sales and processing all manner of drying equipment, tempature experiment equipment and exposure equipment.	$ 589,939	Reinvested in the Mainland China investee through investing in an existing company (C Sun (B.V.I) Ltd.) in the third area.	$ 131,812	$ -	$ -	$ 146,241	$ 152,802	100.00	$ 152,802	$ 1,271,942	$ 594,336	Note 2 (2) (B)
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	65,074	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint Ltd.) in the third area.	16,054	-	-	17,812	12,088	25.00	3,022	67,052	-	Note 2 (2)(B)
Suzhou Amc Technology Co., Ltd.	Preparation, research and design, manufacturing and processing for copper claded laminates, semiconductor, special for components use materials and tc tape carrier package.	552,780	Reinvested in the Mainland China investee through investing in an existing company (K Sun (Samoa) Ltd.) in the third area.	6,674	-	-	7,404	-	0.89	-	-	-	
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	153,550	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	4,780	-	-	5,304	-	2.82	-	-	-	
Suzhou Top Creation Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	168,905	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	162,952	-	-	180,790	261,042	77.47	202,229	964,894	58,671	Note 2 (2) (B)、Note 4
Guangzhou Y SUN Machinery Tech. Co., Ltd.	Mainly laser cutting machinery parts, various metal precision sheet metal, laser, punching;zigzag processing machinery;frame development for Stainless steel equipment for dust-free room; design, manufacturing and installation of generator, air compressor, sound-proof shield, engine room soundproof.	-	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	-	-	-	-	-	Note 2 (2) (B)、Note 5
Jiangsu Chuang Gao Xin Materials Technology Co., Ltd.	Research and development, manufacturing high-tech materials, intellectual toys, toy balloon; computer software's develop application; manufacturing mould and precision machinery.	233,624	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	1,551	100.00	224	249,923	-	Note 2 (2) (B)
Nantong Chuangfeng Photoelectric Equipment Co.,	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	298,040	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	-	-	-	-	32,787	77.47	25,400	335,311	-	Note 2 (2) (B)、Note 4、Note 6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
C SUN MFG. LTD.	$357,550	$160,080	$2,086,688

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in Mainland China.

(2)Through investing in an existing company in the third area,which then investeed in the investee in Mainland China.

(3)Others.

Note 2: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2022’ column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are reviewed and attested by R.O.C. parent company’s CPA.

C.Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: As of December 31, 2022, C Sun (B.V.I.) Ltd. held 77.47% of the equity interest of Power Ever Enterprises Limited and indirectly obtains the equity interest of Power Ever Enterprises Limited, and indirectly obtained the equity interest of Suzhou Top Creation Machines Co., Ltd. through investing in an existing company in the third area, which then invested in Suzhou Top Creation Machines Co., Ltd. in Mainland China.

Note 5: Guangzhou Y SUN Machinery Tech. Co., Ltd. completed the cancellation of registration on January, 2022.

Note 6: Good Team International Enterprises Limited reinvested in Nantong Chuangfeng Photoelectric Equipment Co., Ltd. by using the cash dividends of US$ 6,613 thousands which was distributed from Suzhou Top Creation Machines Co., Ltd.

C SUN MFG. LTD. and subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended 2022	Others
Csun Technology (Guangzhou) Co., Ltd.	$ 263,875	8.75	$ 354,945	22.31	$ 38,305	2.95	$ 46,025	18.69	-	-	-	-	-

C SUN MFG. LTD. and subsidiaries

Information of major shareholders

December 31, 2022

Table 8

Name of major shareholders	Shares	
	Number of shares held	Holding percentage
Hai-Xing Investment Co.,Ltd.	14,971,743	9.55%
Pin-Zhi Investment Co.,Ltd.	14,957,082	9.54%
Gallant Precision Machining Co.,Ltd.	12,108,560	7.72%

Note 1: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

Note 2: If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.