

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2023 AND 2022
(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.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR23000001

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

Introduction

We have reviewed the accompanying consolidated balance sheets of C SUN MFG. LTD. and subsidiaries as at March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of \$867,384 and \$447,137, constituting 11.17% and 5.84% of the consolidated total assets, and total liabilities of \$68,414 and \$54,407, constituting 1.50% and 1.27% of the consolidated total liabilities as at March 31, 2023 and 2022, respectively, and total comprehensive income of \$5,114 and \$2,582, constituting 1.73% and 0.96% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Furthermore, as described in Note 6(7), investments accounted for using equity method were based on the financial statements of the same reporting period which were not reviewed by independent auditors. The balance of these investments accounted for using the equity method amounted to \$1,273,400 and \$1,164,995 as at March 31, 2023 and 2022, respectively, and the comprehensive income recognized from associates accounted for using the equity method amounted to \$54,628 and \$37,052, constituting 18.50% and 13.75% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified Conclusion

Expect for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of C SUN MFG. LTD. and subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and cash flows for the three-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi

Wu, Wei-Hao

For and on behalf of PricewaterhouseCoopers, Taiwan

May 15, 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
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Assets	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,323,028	17	\$ 1,371,810	17	\$ 1,056,931	14
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		179,729	2	206,181	2	94,026	1
1120	Current financial assets at fair	6(3)						
	value through other comprehensive							
	income		428,915	6	396,931	5	343,359	5
1150	Notes receivable, net	6(5)	127,573	2	113,124	1	136,063	2
1170	Accounts receivable, net	6(5)	2,028,022	26	2,314,127	28	2,000,137	26
1200	Other receivables		15,488	-	15,960	-	16,727	-
130X	Inventories	6(6)	784,688	10	950,833	12	1,135,420	15
1410	Prepayments		33,659	-	58,554	1	88,474	1
1470	Other current assets		4,496	-	5,891	-	9,902	-
11XX	Current Assets		<u>4,925,598</u>	<u>63</u>	<u>5,433,411</u>	<u>66</u>	<u>4,881,039</u>	<u>64</u>
Non-current assets								
1517	Non-current financial assets at fair	6(3)						
	value through other comprehensive							
	income		83,662	1	76,031	1	112,573	1
1535	Non-current financial assets at	6(4)						
	amortised cost, net		390,047	5	388,555	5	422,575	6
1550	Investments accounted for under	6(7)						
	equity method		1,273,400	16	1,198,348	15	1,164,995	15
1600	Property, plant and equipment	6(8) and 8	800,342	10	808,393	10	814,000	11
1755	Right-of-use assets	6(9)	71,341	1	73,010	1	72,798	1
1780	Intangible assets		50,361	1	51,599	1	49,857	1
1840	Deferred income tax assets		130,626	2	124,493	1	110,206	1
1900	Other non-current assets	6(5)	38,630	1	33,503	-	27,760	-
15XX	Non-current assets		<u>2,838,409</u>	<u>37</u>	<u>2,753,932</u>	<u>34</u>	<u>2,774,764</u>	<u>36</u>
1XXX	Total assets		<u>\$ 7,764,007</u>	<u>100</u>	<u>\$ 8,187,343</u>	<u>100</u>	<u>\$ 7,655,803</u>	<u>100</u>

(Continued)

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Liabilities and Equity	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 730,000	10	\$ 695,000	9	\$ 811,849	11
2120	Current financial liabilities at fair value through profit or loss	6(12)	623	-	329	-	1,671	-
2130	Current contract liabilities	6(21)	398,207	5	669,327	8	533,070	7
2150	Notes payable		11,093	-	18,689	-	42,511	-
2170	Accounts payable		599,557	8	803,317	10	839,244	11
2180	Accounts payable - related parties	7	22,231	-	21,755	1	6,392	-
2200	Other payables	6(13)	1,183,355	15	822,193	10	671,473	9
2230	Current income tax liabilities		87,697	1	98,917	1	89,151	1
2280	Current lease liabilities	6(9)	13,600	-	14,032	-	11,390	-
2320	Long-term liabilities, current portion	6(14)	135,000	2	344,000	4	126,000	2
2399	Other current liabilities, others		8,505	-	15,667	-	26,112	-
21XX	Current Liabilities		<u>3,189,868</u>	<u>41</u>	<u>3,503,226</u>	<u>43</u>	<u>3,158,863</u>	<u>41</u>
Non-current liabilities								
2540	Long-term borrowings	6(14)	920,000	12	756,000	9	719,000	10
2570	Deferred income tax liabilities		433,234	6	436,519	6	375,473	5
2580	Non-current lease liabilities	6(9)	10,529	-	11,624	-	11,778	-
2600	Other non-current liabilities		2,170	-	2,160	-	22,614	-
25XX	Non-current liabilities		<u>1,365,933</u>	<u>18</u>	<u>1,206,303</u>	<u>15</u>	<u>1,128,865</u>	<u>15</u>
2XXX	Total Liabilities		<u>4,555,801</u>	<u>59</u>	<u>4,709,529</u>	<u>58</u>	<u>4,287,728</u>	<u>56</u>
Equity attributable to owners of parent								
Share capital								
3110	Share capital - common stock	6(17)	1,567,553	20	1,567,553	19	1,521,897	20
Capital surplus								
3200	Capital surplus	6(18)	273,693	3	273,693	3	251,695	3
Retained earnings								
3310	Legal reserve	6(19)	338,618	4	338,618	4	273,986	4
3320	Special reserve		51,901	1	51,901	1	105,878	1
3350	Unappropriated retained earnings		564,321	7	988,262	12	909,992	12
Other equity interest								
3400	Other equity interest	6(20)	113,120	2	(29,489)	-	62,429	1
3500	Treasury shares	6(17)	-	-	-	-	-	-
31XX	Equity attributable to owners of the parent		<u>2,909,206</u>	<u>37</u>	<u>3,190,538</u>	<u>39</u>	<u>3,125,877</u>	<u>41</u>
36XX	Non-controlling interest		<u>299,000</u>	<u>4</u>	<u>287,276</u>	<u>3</u>	<u>242,198</u>	<u>3</u>
3XXX	Total equity		<u>3,208,206</u>	<u>41</u>	<u>3,477,814</u>	<u>42</u>	<u>3,368,075</u>	<u>44</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 7,764,007</u>	<u>100</u>	<u>\$ 8,187,343</u>	<u>100</u>	<u>\$ 7,655,803</u>	<u>100</u>

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

Items	Notes	Three months ended March 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21)	\$ 966,854	100	\$ 1,239,522	100
5000	Operating costs	6(6)(26)(27) and 7	(605,680)	(63)	(827,043)	(66)
5900	Net operating margin		361,174	37	412,479	34
	Operating expenses	6(26)(27)				
6100	Selling expenses		(96,063)	(10)	(107,994)	(9)
6200	General and administrative expenses		(70,692)	(7)	(68,947)	(5)
6300	Research and development expenses		(72,767)	(7)	(74,400)	(6)
6450	Expected credit losses	12(2)	3,552	-	(7,558)	(1)
6000	Total operating expenses		(235,970)	(24)	(258,899)	(21)
6900	Operating profit		125,204	13	153,580	13
	Non-operating income and expenses					
7100	Interest income	6(22)	3,691	-	5,818	-
7010	Other income	6(23)	23,159	2	4,371	-
7020	Other gains and losses	6(24)	(10,416)	(1)	12,984	1
7050	Finance costs	6(25)	(5,656)	-	(4,837)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	10,717	1	34,050	3
7000	Total non-operating income and expenses		21,495	2	52,386	4
7900	Profit before income tax		146,699	15	205,966	17
7950	Income tax expense	6(28)	(5,951)	-	(37,043)	(3)
8200	Profit for the year		\$ 140,748	15	\$ 168,923	14

(Continued)

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

Items	Notes	Three months ended March 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss	6(20)				
8316 Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	6(3)	\$ 100,006	10	\$ 15,059	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		42,675	5	(4,719)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		142,681	15	10,340	1
Components of other comprehensive income that will be reclassified to profit or loss	6(20)				
8361 Financial statements translation differences of foreign operations		12,868	1	89,029	7
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		1,236	-	7,721	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	(2,276)	-	(6,610)	(1)
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		11,828	1	90,140	7
8300 Other comprehensive income for the period		\$ 154,509	16	\$ 100,480	8
8500 Total comprehensive income for the period		\$ 295,257	31	\$ 269,403	22
Profit attributable to:					
8610 Owners of the parent		\$ 130,447	14	\$ 156,718	13
8620 Non-controlling interest		10,301	1	12,205	1
Profit for the period		\$ 140,748	15	\$ 168,923	14
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 283,533	30	\$ 248,670	20
8720 Non-controlling interest		11,724	1	20,733	2
Total comprehensive income for the period		\$ 295,257	31	\$ 269,403	22
Basic earnings per share	6(29)				
9750 Total basic earnings per share		\$	0.83	\$	1.00
Diluted earnings per share	6(29)				
9850 Total diluted earnings per share		\$	0.83	\$	1.00

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

C. SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Retained Earnings					Other equity interest						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other	Treasury shares	Total		
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 period		-	-	-	-	156,718	-	-	-	-	156,718	12,205	168,923
Other comprehensive income for the period	6(20)	-	-	-	-	-	81,612	10,340	-	-	91,952	8,528	100,480
Total comprehensive income		-	-	-	-	156,718	81,612	10,340	-	-	248,670	20,733	269,403
Changes in equity of associates accounted for using equity method	6(18)	-	7,944	-	-	(504)	-	-	-	-	7,440	-	7,440
Treasury stock transferred to employees		-	-	-	-	(507)	-	-	-	41,977	41,470	-	41,470
Balance at March 31, 2022		\$ 1,521,897	\$ 251,695	\$ 273,986	\$ 105,878	\$ 909,992	(\$ 51,077)	\$ 112,976	\$ 530	\$ -	\$ 3,125,877	\$ 242,198	\$ 3,368,075
2023													
Balance at January 1, 2023		\$ 1,567,553	\$ 273,693	\$ 338,618	\$ 51,901	\$ 988,262	(\$ 101,535)	\$ 71,516	\$ 530	\$ -	\$ 3,190,538	\$ 287,276	\$ 3,477,814
Profit for the period		-	-	-	-	130,447	-	-	-	-	130,447	10,301	140,748
Other comprehensive income for the period	6(20)	-	-	-	-	-	10,405	142,681	-	-	153,086	1,423	154,509
Total comprehensive income		-	-	-	-	130,447	10,405	142,681	-	-	283,533	11,724	295,257
Appropriation of 2022 earnings:	6(19)												
Cash dividends		-	-	-	-	(564,319)	-	-	-	-	(564,319)	-	(564,319)
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	-	10,477	(10,477)	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method		-	-	-	-	(546)	-	-	-	-	(546)	-	(546)
Balance at March 31, 2023		\$ 1,567,553	\$ 273,693	\$ 338,618	\$ 51,901	\$ 564,321	(\$ 91,130)	\$ 203,720	\$ 530	\$ -	\$ 2,909,206	\$ 299,000	\$ 3,208,206

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Three-month period ended March 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 146,699	\$ 205,966
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	18,514	18,106
Amortization	6(26)	1,514	1,415
Expected credit impairment loss	12(2)	(3,552)	7,558
Net gain on financial assets or liabilities at fair value through profit or loss	6(24)	(1,833)	(8,182)
Interest expense	6(25)	5,656	4,837
Interest income	6(22)	(3,691)	(5,818)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(10,717)	(34,050)
(Gain) loss on disposal of property, plant and equipment, net	6(24)	94	(252)
Gains on disposals of investments	6(24)	(203)	(257)
Impairment loss from non – financial assets	6(24)	330	331
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		28,489	726
Notes receivable		(14,449)	(6,526)
Accounts receivable		287,626	(5,039)
Accounts receivable-related parties		-	436
Other receivables		472	275
Inventories		166,145	40,848
Prepayments		24,895	(13,358)
Other current assets		1,395	220
Changes in operating liabilities			
Contract liabilities		(271,120)	(996)
Notes payable		(7,596)	2,007
Accounts payable		(203,760)	(59,211)
Accounts payable-related parties		476	(27,238)
Other payables		(203,360)	(116,052)
Other current liabilities		(7,162)	9,334
Accrued pension liabilities		-	(2,207)
Cash (outflow) inflow generated from operations		(45,138)	12,873
Interest paid		(5,656)	(3,150)
Income tax paid		(26,258)	(6,066)
Net cash flows (used in) from operating activities		(77,052)	3,657

(Continued)

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Three-month period ended March 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 1,900)	(\$ 2,498)
Proceeds from disposal of financial assets at fair value		62,307	-
Acquisition of financial assets at amortised cost		(1,492)	(138,925)
Increase in investment accounted for under the equity method		(19,748)	(10,766)
Acquisition of property, plant and equipment	6(30)	(4,631)	(46,065)
Proceeds from disposal of property, plant and equipment		35	961
Acquisition of intangible assets		(460)	(380)
Decrease in other financial assets		(2,439)	(2,242)
Refundable deposits refunded		(2,688)	(1,690)
Interest received		3,691	5,750
Net cash flows from (used in) investing activities		32,675	(195,855)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		460,000	1,473,348
Repayment of short-term borrowings		(425,000)	(1,356,480)
Proceeds from long-term borrowings		295,000	-
Repayment of long-term borrowings		(340,000)	-
Repayment of principal portion of lease liabilities	6(31)	(4,035)	(2,972)
Treasury stock transferred to employees	6(17)	-	41,470
Net cash flows (used in) from financing activities		(14,035)	155,366
Effect of exchange rate		9,630	32,915
Net decrease in cash and cash equivalents		(48,782)	(3,917)
Cash and cash equivalents at beginning of period	6(1)	1,371,810	1,060,848
Cash and cash equivalents at end of period	6(1)	\$ 1,323,028	\$ 1,056,931

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 THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Unaudited)

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 May 15, 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 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.

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

None.

(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

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(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 that came into effect 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:

Basis for preparation of consolidated financial statements is consistent with the 2022 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	Holding company	100%	100%	100%	Note 4
C SUN MFG. LTD.	K Sun (Samoa) Ltd.	Holding company	100%	100%	100%	Note 4
C SUN MFG. LTD.	Wat Sun. Intelligent Technology Co., Ltd.	Manufacturing and Selling	-	-	100%	Notes 3 & 4
C Sun (B.V.I.) Ltd.	Csun Technology (Guangzhou) Co., Ltd.	Manufacturing and Selling	100%	100%	100%	
C Sun (B.V.I.) Ltd.	Alpha Joint Ltd.	Holding company	100%	100%	100%	Note 4
C Sun (B.V.I.) Ltd.	Power Ever Enterprises Limited	Holding company	77.47%	77.47%	77.47%	Note 4
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Holding company	100%	100%	100%	Note 4
Good Team International Enterprises Limited	Suzhou Top Creation Machines Co., Ltd.	Manufacturing and Selling	100%	100%	100%	
Good Team International Enterprises Limited	Nantong Chuangfeng Photoelectric Equipment Co.,Ltd.	Manufacturing and Selling	100%	100%	-	Notes 2 & 4
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines CO., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
Csun Technology (Guangzhou) Co., Ltd.	Guangzhou Y SUN Machinery Tech. Co., Ltd.	Manufacturing and Selling	-	-	-	Note 1
Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chunag Gao Xin Materials Technology Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 4

Note 1: Guangzhou Y Sun Machinery Tech. Co., Ltd. completed the cancellation of registration on January, 2022.

Note 2: Nantong Chuangfeng Photoelectric Equipment Co., Ltd. was established in June 2022.

Note 3: Wat Sun. Intelligent Technology Co., Ltd. was dissolved on July 14, 2022. As of March 31, 2023, the liquidation process has not yet been completed.

Note 4: As these subsidiaries did not meet the definition of significant subsidiaries, the financial statements as of March 31, 2023 and 2022 were not reviewed by independent auditors.

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) Employee benefits

Pensions - Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes as of March 31, 2023. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand and revolving funds	\$ 2,189	\$ 2,572	\$ 3,055
Checking accounts and demand deposits	1,287,605	1,287,663	1,042,913
Time deposits	33,234	81,575	10,963
Total	<u>\$ 1,323,028</u>	<u>\$ 1,371,810</u>	<u>\$ 1,056,931</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 148,851	\$ 174,745	\$ 81,422
Hybrid instruments	3,030	3,030	-
Derivatives	-	-	2,075
	<u>151,881</u>	<u>177,775</u>	<u>83,497</u>
Valuation adjustment	27,848	28,406	10,529
	<u>\$ 179,729</u>	<u>\$ 206,181</u>	<u>\$ 94,026</u>

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

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 2,373	\$ 3,950
Derivative instruments	-	2,075
Hybrid instruments	480	-
	<u>\$ 2,853</u>	<u>\$ 6,025</u>

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 March 31, 2023)

Derivative financial instruments	December 31, 2022		
	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	
March 31, 2022			
Derivative financial instruments	Contract amount (notional principal) (in thousands)		Contract period
	Current items:		
	Foreign exchange swap contracts	USD 4,500	2022/1-2022/6
	CNY 9,000	2022/3-2022/5	
	JPY 520,000	2022/1-2022/5	

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	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Equity instruments			
Listed stocks	\$ 299,185	\$ 349,116	\$ 294,254
Valuation adjustment	129,730	47,815	49,105
	<u>\$ 428,915</u>	<u>\$ 396,931</u>	<u>\$ 343,359</u>
Non-current items:			
Equity instruments			
Emerging stocks	\$ 25,634	\$ 25,634	\$ 25,634
Unlisted stocks	45,338	45,380	58,209
	70,972	71,014	83,843
Valuation adjustment	12,690	5,017	28,730
	<u>\$ 83,662</u>	<u>\$ 76,031</u>	<u>\$ 112,573</u>

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 \$512,577, \$472,962 and \$455,932 as at March 31, 2023, December 31, 2022 and March 31, 2022, 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:

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ <u>100,006</u>	\$ <u>15,059</u>
Cumulative losses reclassified to retained earnings due to derecognition	(\$ <u>10,477</u>)	\$ <u>-</u>

C. As at March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$512,577, \$472,962 and \$455,932, 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

<u>Items</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Non-current items :			
Time deposits over twelve months	\$ 390,047	\$ 388,555	\$ 403,667
Segregated deposit account for repatriated offshore funds	<u>-</u>	<u>-</u>	<u>18,908</u>
	<u>\$ 390,047</u>	<u>\$ 388,555</u>	<u>\$ 422,575</u>

A. As at March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$390,047, \$388,555 and \$422,575, 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 deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable	\$ 127,720	\$ 113,270	\$ 136,249
Less: Allowance for uncollectible accounts	(147)	(146)	(186)
	<u>\$ 127,573</u>	<u>\$ 113,124</u>	<u>\$ 136,063</u>
Accounts receivable	\$ 2,297,262	\$ 2,584,888	\$ 2,254,603
Less: Allowance for uncollectible accounts	(269,240)	(270,761)	(254,466)
	<u>\$ 2,028,022</u>	<u>\$ 2,314,127</u>	<u>\$ 2,000,137</u>
Overdue receivable (shown as other non-current assets)	\$ 12,986	\$ 14,579	\$ 32,052
Less: Allowance for uncollectible accounts	(12,986)	(14,579)	(32,052)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>March 31, 2023</u>		<u>December 31, 2022</u>		<u>March 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due to 60 days	\$ 1,998,686	\$ 127,720	\$ 2,327,016	\$ 113,270	\$ 2,112,907	\$ 136,237
61 to 120 days	81,152	-	127,932	-	22,268	12
121 to 180 days	101,366	-	59,516	-	25,211	-
Over 180 days	116,058	-	70,424	-	94,217	-
	<u>\$ 2,297,262</u>	<u>\$ 127,720</u>	<u>\$ 2,584,888</u>	<u>\$ 113,270</u>	<u>\$ 2,254,603</u>	<u>\$ 136,249</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022 the balance of receivables from contracts with customers amounted to \$2,307,837.

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

D. As of March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$127,573, \$113,124 and \$136,063; \$2,028,022, \$2,314,127 and \$2,000,137, respectively.

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

(6) Inventories

	March 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 234,338	(\$ 97,210)	\$ 137,128
Work in progress	569,339	(152,717)	416,622
Finished goods	337,458	(106,520)	230,938
Total	<u>\$ 1,141,135</u>	<u>(\$ 356,447)</u>	<u>\$ 784,688</u>

	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	<u>\$ 1,285,155</u>	<u>(\$ 334,322)</u>	<u>\$ 950,833</u>

	March 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 352,821	(\$ 114,810)	\$ 238,011
Work in progress	670,597	(95,513)	575,084
Finished goods	429,328	(107,003)	322,325
Total	<u>\$ 1,452,746</u>	<u>(\$ 317,326)</u>	<u>\$ 1,135,420</u>

The cost of inventories recognised as expense for the period:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Cost of goods sold and others	\$ 576,691	\$ 803,330
Loss on decline in market value	28,989	23,713
Total	<u>\$ 605,680</u>	<u>\$ 827,043</u>

(7) Investments accounted for using equity method

	March 31, 2023	December 31, 2022	March 31, 2022
Associates:			
Gallant Precision Machining Co., Ltd.	\$ 1,039,098	\$ 987,324	\$ 952,308
Gallant Micro. Machining Co., Ltd.	126,497	105,046	98,286
Alpha-Cure Asia Co., Ltd.	69,059	67,052	73,178
Viewmove Technologies, Inc.	38,746	38,926	41,223
Total	<u>\$ 1,273,400</u>	<u>\$ 1,198,348</u>	<u>\$ 1,164,995</u>

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
		March 31, 2023	December 31, 2022	March 31, 2022		
Gallant Precision Machining Co., Ltd.	Taiwan	27.38%	27.38%	27.33%	Business strategy	Equity method
Gallant Micro Machining Co., Ltd.	Taiwan	22.98% (Note)	22.23% (Note)	22.96% (Note)	Business strategy	Equity method
Alpha-Cure Asia Co., Ltd.	China	25.00%	25.00%	25.00%	Business strategy	Equity method
Viewmove Technologies, Inc.	Taiwan	20.70%	20.70%	20.73%	Business strategy	Equity method

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

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

Balance sheet

	Gallant Precision Machining Co., Ltd.		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 4,797,118	\$ 5,631,173	\$ 4,713,730
Non-current assets	2,566,765	2,265,188	2,166,416
Current liabilities	(3,685,989)	(3,902,059)	(3,028,790)
Non-current liabilities	(608,105)	(752,533)	(780,682)
Total net assets	\$ 3,069,789	\$ 3,241,769	\$ 3,070,674
Share in associate's net assets	\$ 774,964	\$ 723,190	\$ 697,720
Goodwill	264,134	264,134	254,588
Carrying amount of the associate	\$ 1,039,098	\$ 987,324	\$ 952,308

	Gallant Micro. Machining Co., Ltd.		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 1,849,568	\$ 1,973,083	\$ 1,788,568
Non-current assets	659,544	644,883	675,429
Current liabilities	(1,189,784)	(1,153,863)	(1,103,970)
Non-current liabilities	(250,389)	(262,121)	(261,859)
Total net assets	<u>\$ 1,068,939</u>	<u>\$ 1,201,982</u>	<u>\$ 1,098,168</u>
Share in associate's net assets	\$ 86,662	\$ 76,976	\$ 72,325
Goodwill	39,835	28,070	25,961
Carrying amount of the associate	<u>\$ 126,497</u>	<u>\$ 105,046</u>	<u>\$ 98,286</u>

Statement of comprehensive income

	Gallant Precision Machining Co., Ltd.	
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 737,986	\$ 1,094,735
Profit for the period from continuing operations	\$ 41,789	\$ 145,535
Other comprehensive income, net of tax	166,000	16,820
Total comprehensive income	<u>\$ 207,789</u>	<u>\$ 162,355</u>
Dividends received from associates	\$ -	\$ -

	Gallant Micro. Machining Co., Ltd.	
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 256,470	\$ 394,270
Profit for the period from continuing operations	\$ 14,513	\$ 79,349
Other comprehensive income, net of tax	22,103	12,852
Total comprehensive income	<u>\$ 36,616</u>	<u>\$ 92,201</u>
Dividends received from associates	\$ -	\$ -

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 March 31, 2023, December 31, 2022 and March 31, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$107,805, \$105,978 and \$114,401, respectively.

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Profit for the period from continuing operations	\$ 1,555	\$ 8,384
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 1,555</u>	<u>\$ 8,384</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

D. The Group's material associate Gallant Precision Machining Co., Ltd. has quoted market prices.

As of March 31, 2023, December 31, 2022 and March 31, 2022, the fair values were \$1,298,006, \$1,235,344 and \$1,411,154, respectively.

E. The Group's material associate Gallant Micro. Machining Co., Ltd. has quoted market prices. As of March 31, 2023, December 31, 2022 and March 31, 2022, the fair values were \$185,176, \$163,406 and \$173,952, 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 \$10,717 and \$34,050 for the three-month periods ended March 31, 2023 and 2022, respectively.

(8) Property, plant and equipment

2023

	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	\$ 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)
	<u>\$ 270,031</u>	<u>\$ 424,932</u>	<u>\$ 17,650</u>	<u>\$ 36,294</u>	<u>\$ 10,156</u>	<u>\$ 46,745</u>	<u>\$ 2,585</u>	<u>\$ 808,393</u>
Opening net book amount as at January 1	\$ 270,031	\$ 424,932	\$ 17,650	\$ 36,294	\$ 10,156	\$ 46,745	\$ 2,585	\$ 808,393
Additions	-	918	-	1,492	-	2,244	180	4,834
Disposals	-	-	(7)	(18)	(46)	(58)	-	(129)
Reclassifications	-	2,512	-	-	-	73	(2,585)	-
Depreciation charge	-	(4,748)	(1,144)	(3,703)	(749)	(3,742)	-	(14,086)
Net exchange differences	-	746	125	78	47	197	137	1,330
Closing net book amount as at March 31	<u>\$ 270,031</u>	<u>\$ 424,360</u>	<u>\$ 16,624</u>	<u>\$ 34,143</u>	<u>\$ 9,408</u>	<u>\$ 45,459</u>	<u>\$ 317</u>	<u>\$ 800,342</u>
At March 31								
Cost	\$ 270,031	\$ 690,755	\$ 112,631	\$ 110,269	\$ 25,980	\$ 148,841	\$ 317	\$ 1,358,824
Accumulated depreciation	-	(266,395)	(96,007)	(76,126)	(16,572)	(103,382)	-	(558,482)
	<u>\$ 270,031</u>	<u>\$ 424,360</u>	<u>\$ 16,624</u>	<u>\$ 34,143</u>	<u>\$ 9,408</u>	<u>\$ 45,459</u>	<u>\$ 317</u>	<u>\$ 800,342</u>

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)
	<u>\$ 247,088</u>	<u>\$ 430,063</u>	<u>\$ 17,397</u>	<u>\$ 26,814</u>	<u>\$ 10,927</u>	<u>\$ 33,306</u>	<u>\$ 12,616</u>	<u>\$ 778,211</u>
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	697	2,501	2,460	3,223	1,083	46,177
Disposals	-	-	-	(8)	(700)	(1)	-	(709)
Reclassifications(Note)	-	816	9	3,767	-	(9)	(7,623)	(3,040)
Depreciation charge	-	(5,958)	(1,347)	(3,318)	(851)	(3,431)	-	(14,905)
Net exchange differences	-	5,715	639	389	375	1,148	-	8,266
Closing net book amount as at March 31	<u>\$ 270,031</u>	<u>\$ 443,906</u>	<u>\$ 17,395</u>	<u>\$ 30,145</u>	<u>\$ 12,211</u>	<u>\$ 34,236</u>	<u>\$ 6,076</u>	<u>\$ 814,000</u>
At March 31								
Cost	\$ 270,031	\$ 692,015	\$ 122,980	\$ 122,512	\$ 36,649	\$ 188,233	\$ 6,076	\$ 1,438,496
Accumulated depreciation	-	(248,109)	(105,585)	(92,367)	(24,438)	(153,997)	-	(624,496)
	<u>\$ 270,031</u>	<u>\$ 443,906</u>	<u>\$ 17,395</u>	<u>\$ 30,145</u>	<u>\$ 12,211</u>	<u>\$ 34,236</u>	<u>\$ 6,076</u>	<u>\$ 814,000</u>

Note : It refers to construction in progress and prepayment for equipment transferred to buildings and structures amounting to \$816, office equipment amounting to \$3,767, intangible assets amounting to \$3,040.

- A. There were no borrowing costs capitalized as part of property, plant and equipment for the three-month periods ended March 31, 2023 and 2022, 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:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 47,363	\$ 47,508	\$ 49,740
Buildings	3,024	821	773
Transportation equipment (Business vehicles)	19,728	23,326	22,237
Office equipment (Photocopiers)	1,226	1,355	48
	<u>\$ 71,341</u>	<u>\$ 73,010</u>	<u>\$ 72,798</u>

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 380	\$ 377
Buildings	309	147
Transportation equipment (Business vehicles)	3,602	2,606
Office equipment (Photocopiers)	137	71
	<u>\$ 4,428</u>	<u>\$ 3,201</u>

- D. For the three-month periods ended March 31, 2023 and 2022, the additions to right-of-use assets were \$2,998 and \$4,979, respectively.

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 118	\$ 75
Expense on short-term lease contracts	5,733	2,415
Expense on leases of low-value assets	1,635	76

F. For the three-month periods ended March 31, 2023 and 2022, the Group's total cash outflow for leases were \$11,521 and \$5,538, 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 three-month periods ended March 31, 2023 and 2022, the Group recognised rent income in the amounts of \$2,462 and \$3,124, 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:

	<u>March 31, 2023</u>		<u>December 31, 2022</u>		<u>March 31, 2022</u>
2023	\$ 6,154	2023	\$ 8,541	2022	\$ 9,247
2024	8,205	2024	8,190	2023	8,490
2025	8,205	2025	8,190	2024	8,141
2026	8,205	2026	8,190	2025	8,141
After 2027	<u>25,742</u>	After 2027	<u>25,695</u>	After 2026	<u>33,684</u>
Total	<u>\$ 56,511</u>	Total	<u>\$ 58,806</u>	Total	<u>\$ 67,703</u>

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 730,000</u>	1.55%~1.88%	None
<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 695,000</u>	1.55%~2.11%	None
<u>Type of borrowings</u>	<u>March 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 811,849</u>	0.79%~1.05%	None

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

<u>Items</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current items:			
Financial liabilities held for trading			
Derivative instruments	\$ <u>623</u>	\$ <u>329</u>	\$ <u>1,671</u>

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

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
Net (losses) gains recognised in profit		
Financial liabilities held for trading		
Derivative instruments	(\$ <u>817</u>)	\$ <u>2,454</u>

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:

	<u>March 31, 2023</u>		
<u>Derivative financial liabilities</u>	<u>Contract amount (Notional principal) (in thousands)</u>	<u>Contract period</u>	
Current items:			
Foreign exchange swap contracts	USD 50,000	2023/1-2023/4	
Foreign exchange swap contracts	USD 12,900	2022/11-2023/7	
Option	USD 8,900	2023/1-2023/6	
	<u>December 31, 2022</u>		
<u>Derivative financial liabilities</u>	<u>Contract amount (Notional principal) (in thousands)</u>	<u>Contract period</u>	
Current items:			
Option	USD 3,000	2022/11-2023/2	
	<u>March 31, 2022</u>		
<u>Derivative financial liabilities</u>	<u>Contract amount (Notional principal) (in thousands)</u>	<u>Contract period</u>	
Current items:			
Foreign exchange swap contracts	USD 5,600	2022/3-2022/4	

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Salary and bonus payable	\$ 223,287	\$ 371,017	\$ 272,617
Employees' compensation and directors' remuneration	32,610	28,304	31,002
Pension payable	26,010	25,917	24,294
Accrued annual leave	22,806	25,555	20,655
Payable on machinery and equipment	244	41	209
Dividend payable	564,319	-	-
Others	314,079	371,359	322,696
	<u>\$ 1,183,355</u>	<u>\$ 822,193</u>	<u>\$ 671,473</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2023
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from March 30, 2023 to September 30, 2024; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	\$ 200,000
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
Unsecured 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	143,000
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	70,000
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	200,000
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	16,000
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	81,000
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
				<u>1,055,000</u>
Less: Long-term liabilities, current portion				(135,000)
				<u>\$ 920,000</u>

Interest rate range: 1.45%~1.90%

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)
				<u>\$ 756,000</u>

Interest rate range: 1.42%~1.80%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 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
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				(126,000)
				<u>\$ 719,000</u>

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 March 31, 2023, December 31, 2022 and March 31, 2022, 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 4% 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) For the aforementioned pension plan, the Group recognized pension costs of \$105 and \$178 for the three-month periods ended March 31, 2023 and 2022, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$9,537.

- 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 three-month periods ended March 31, 2023 and 2022, were \$3,946 and \$3,584, respectively.

(16) Share-based payment

- A. For the three-month periods ended March 31, 2023 and 2022, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
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 three-month period ended March 31, 2023.

(17) Share capital

- A. As of March 31, 2023, 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:

	<u>2023</u>	<u>2022</u>
At January 1	156,755	151,475
Treasury stock sold to employees	-	715
At March 31,	<u>156,755</u>	<u>152,190</u>

- 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 three-month period ended March 31, 2023.
- 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 (March 31, 2022 and 2023 : None.)
- (a) 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.
 - (b) 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.
 - (c) 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:

		2023						
		Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiarie	Capital surplus, changes in equity of investment	Employee restricted shares	Net change in equity of associates
January 1	(Same as March 31)	\$ 85,584	\$ 133,672	\$ 11,761	\$ 1,776	\$ 40,893	\$ 7	\$ 273,693
		2022						
		Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiarie	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	\$ 10,951	\$ 7	\$ 243,751
Recognition of change in equity of associates in proportion to the Group's ownership		-	-	-	-	7,944	-	7,944
March 31		\$ 85,584	\$ 133,672	\$ 11,761	\$ 1,776	\$ 18,895	\$ 7	\$ 251,695

(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 2022 earnings had been resolved at the Board of Directors' meeting on February 24, 2023 and the appropriation of 2021 earnings had been resolved at the stockholders' meeting on June 9, 2022, respectively. Details are summarized below:

	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividends per share (in NT dollars)</u>	<u>Amount</u>	<u>Dividends per share (in NT dollars)</u>
Legal reserve	\$ 74,686		\$ 64,632	
Special reserve	-		(53,977)	
Cash dividends	564,319	\$ 3.6	456,569	\$ 3.01416
Stock dividends	-	-	45,657	0.301416
	<u>\$ 639,005</u>	<u>\$ 3.6</u>	<u>\$ 512,881</u>	<u>\$ 3.315576</u>

(20) Other equity items

	2023			
	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	\$ 71,516	(\$ 101,535)	\$ 530	(\$ 29,489)
Valuation adjustment	142,681	-	-	142,681
Disposal transferred out from retained earnings	(10,477)	-	-	(10,477)
Currency translation differences:				
-Group	-	9,169	-	9,169
-Associate	-	1,236	-	1,236
At March 31	<u>\$ 203,720</u>	<u>(\$ 91,130)</u>	<u>\$ 530</u>	<u>\$ 113,120</u>
	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	10,340	-	-	10,340
Currency translation differences:				
-Group	-	73,891	-	73,891
-Associate	-	7,721	-	7,721
At March 31	<u>\$ 112,976</u>	<u>(\$ 51,077)</u>	<u>\$ 530</u>	<u>\$ 62,429</u>

(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 three-month period ended	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.		Suzhou Top Creation Machines Co., Ltd.		Other			Total
	Taiwan	China	Other	China	Other	China	Other	Taiwan	China	Other	
March 31, 2023											
Timing of revenue recognition											
At a point in time	\$ 414,246	\$ 99,418	\$ 9,029	\$ 133,393	\$ 670	\$ 133,788	\$ 63,758	\$ 6,372	\$ 82,149	\$ -	\$ 942,823
Over time	24,031	-	-	-	-	-	-	-	-	-	24,031
Total	<u>\$ 438,277</u>	<u>\$ 99,418</u>	<u>\$ 9,029</u>	<u>\$ 133,393</u>	<u>\$ 670</u>	<u>\$ 133,788</u>	<u>\$ 63,758</u>	<u>\$ 6,372</u>	<u>\$ 82,149</u>	<u>\$ -</u>	<u>\$ 966,854</u>
March 31, 2022											
Timing of revenue recognition											
At a point in time	\$ 294,876	\$ 237,797	\$ 17,961	\$ 242,362	\$ 2,874	\$ 350,719	\$ 28,862	\$ 36,275	\$ 2,349	\$ 208	\$ 1,214,283
Over time	25,239	-	-	-	-	-	-	-	-	-	25,239
Total	<u>\$ 320,115</u>	<u>\$ 237,797</u>	<u>\$ 17,961</u>	<u>\$ 242,362</u>	<u>\$ 2,874</u>	<u>\$ 350,719</u>	<u>\$ 28,862</u>	<u>\$ 36,275</u>	<u>\$ 2,349</u>	<u>\$ 208</u>	<u>\$ 1,239,522</u>

B. Contract liabilities

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities	\$ 398,207	\$ 669,327	\$ 533,070	\$ 520,329

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

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 375,873	\$ 240,330

(22) Interest income

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
Interest income from bank deposits	\$ 3,691	\$ 5,818

(23) Other income

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
Rent income	\$ 2,462	\$ 3,124
Indemnities Revenues	6,631	36
Other income	14,066	1,211
	<u>\$ 23,159</u>	<u>\$ 4,371</u>

(24) Other gains and losses

	<u>For the three-month period ended March 31, 2023</u>	<u>For the three-month period ended March 31, 2022</u>
(Losses) gains on disposal of property, plant and equipment	(\$ 94)	\$ 252
Gains on disposal of investments	203	257
Net currency exchange (losses) gains	(6,659)	5,235
Net gains on financial (liabilities) assets at fair value through profit	1,833	8,182
Other losses	(5,699)	(942)
	<u>(\$ 10,416)</u>	<u>\$ 12,984</u>

(25) Finance costs

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Interest expense :		
Bank loan	\$ 5,538	\$ 4,762
Lease liabilities	118	75
	<u>\$ 5,656</u>	<u>\$ 4,837</u>

(26) Expenses by nature

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Employee benefit expenses	<u>\$ 194,403</u>	<u>\$ 188,768</u>
Depreciation charges on property, plant and equipment, and right-of-use assets	<u>\$ 18,514</u>	<u>\$ 18,106</u>
Amortisation charges	<u>\$ 1,514</u>	<u>\$ 1,415</u>

(27) Employee benefit expenses

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Wages and salaries	\$ 165,775	\$ 162,468
Labour and health insurance fees	15,743	14,954
Pension costs	4,051	3,762
Other personnel expenses	8,834	7,584
	<u>\$ 194,403</u>	<u>\$ 188,768</u>

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 three-month periods ended March 31, 2023 and 2022, employees' compensation was accrued at \$1,325 and \$1,785, respectively; while directors' remuneration was accrued at \$2,982 and \$4,017, 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 period for the three-month period ended March 31, 2023.

Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 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:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Current tax:		
Current tax on profits for the period	\$ 19,879	\$ 33,561
Prior year income tax overestimation	(2,234)	(295)
Total current tax	<u>17,645</u>	<u>33,266</u>
Deferred tax:		
Origination and reversal of temporary differences	(11,694)	<u>3,777</u>
Income tax expense	<u>\$ 5,951</u>	<u>\$ 37,043</u>

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Currency translation differences	<u>\$ 2,276</u>	<u>\$ 6,610</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(29) Earnings per share

	<u>For the three-month period ended March 31, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 130,447</u>	156,755	<u>\$ 0.83</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	135	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 130,447</u>	<u>156,890</u>	<u>\$ 0.83</u>
	<u>For the three-month period ended March 31, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 156,718</u>	156,183	<u>\$ 1.00</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	146	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 156,718</u>	<u>156,329</u>	<u>\$ 1.00</u>

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

(30) Supplemental cash flow information

Investing activities with partial cash payments :

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Purchase of property, plant and equipment	\$ 4,834	\$ 46,177
Add: Opening balance of payable on equipment	41	97
Less: Ending balance of payable on equipment	(244)	(209)
Cash paid during the period	<u>\$ 4,631</u>	<u>\$ 46,065</u>

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable (Note 2)	Total
January 1, 2023	\$ 695,000	\$ 1,100,000	\$ 2,160	\$ 25,656	\$ -	\$ 1,822,816
Changes in cash flow from financing activities	35,000	(45,000)		(4,035)	-	(14,035)
Interest expense	-	-	-	118	-	118
Paid interest	-	-	-	(118)	-	(118)
Impact of changes in foreign exchange rate	-	-	10	(490)	-	(480)
Changes in other non-cash items	-	-	-	2,998	564,319	567,317
March 31, 2023	<u>\$ 730,000</u>	<u>\$ 1,055,000</u>	<u>\$ 2,170</u>	<u>\$ 24,129</u>	<u>\$ 564,319</u>	<u>\$ 2,375,618</u>

	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	116,868	-	-	(2,972)	113,896
Interest expense	-	-	-	75	75
Paid interest	-	-	-	(75)	(75)
Impact of changes in foreign exchange rate	-	-	80	191	271
Changes in other non-cash items	-	-	-	4,979	4,979
March 31, 2022	<u>\$ 811,849</u>	<u>\$ 845,000</u>	<u>\$ 2,222</u>	<u>\$ 23,168</u>	<u>\$ 1,682,239</u>

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. Purchases:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Purchases of goods:		
Associates	\$ 13,449	\$ 24,963

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.

B. Payables to related parties:

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable:			
Associates	\$ 22,231	\$ 21,755	\$ 6,392

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

(3) Key management compensation

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Salaries and other short-term employee benefits	\$ 8,116	\$ 8,720
Post-employment benefits	99	99
	\$ 8,215	\$ 8,819

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2023	December 31, 2022	March 31, 2022	
Property, plant and equipment	509,303	509,014	423,377	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 March 31, 2023, December 31, 2022 and March 31, 2022 were \$74,842, \$317,122 and \$68,108, respectively.

(2) Commitments

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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 three-month period ended March 31, 2023, the Group's strategy was to maintain the gearing ratio within reasonable risk level. The gearing ratios at March 31, 2023, December 31, 2022 and March 31, 2022 were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Total borrowings	\$ 1,785,000	\$ 1,795,000	\$ 1,656,849
Less: Cash and cash equivalents	(1,323,028)	(1,371,810)	(1,056,931)
Net debt	461,972	423,190	599,918
Total equity	3,208,206	3,477,814	3,368,075
Total capital	<u>\$ 3,670,178</u>	<u>\$ 3,901,004</u>	<u>\$ 3,967,993</u>
Gearing ratio	<u>12.59%</u>	<u>10.85%</u>	<u>15.12%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 179,729</u>	<u>\$ 206,181</u>	<u>\$ 94,026</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 512,577</u>	<u>\$ 472,962</u>	<u>\$ 455,932</u>
<u>Financial assets at amortised cost</u>			
Cash and cash equivalents	\$ 1,323,028	\$ 1,371,810	\$ 1,056,931
Financial assets at amortised	390,047	388,555	422,575
Notes receivable	127,573	113,124	136,063
Accounts receivable (including related party)	2,028,022	2,314,127	2,000,137
Other receivables (including related party)	15,488	15,960	16,727
Guarantee deposits paid	<u>14,757</u>	<u>12,069</u>	<u>16,428</u>
	<u>\$ 3,898,915</u>	<u>\$ 4,215,645</u>	<u>\$ 3,648,861</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	<u>\$ 623</u>	<u>\$ 329</u>	<u>\$ 1,671</u>
<u>Financial liabilities at amortised cost</u>			
Short-term borrowings	\$ 730,000	\$ 695,000	\$ 811,849
Notes payable	11,093	18,689	42,511
Accounts payable (including related party)	621,788	825,072	845,636
Other accounts payable	1,183,355	822,193	671,473
Long-term borrowings (including current portion)	1,055,000	1,100,000	845,000
Guarantee deposits received	<u>2,170</u>	<u>2,160</u>	<u>2,222</u>
	<u>\$ 3,603,406</u>	<u>\$ 3,463,114</u>	<u>\$ 3,218,691</u>
Lease liability (including current portion)	<u>\$ 24,129</u>	<u>\$ 25,656</u>	<u>\$ 23,168</u>

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:

March 31, 2023			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD/RMB)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 16,893	30.45	\$ 514,392
JPY:NTD	179,350	0.2288	41,035
RMB:NTD	85,985	4.431	381,000
USD:RMB	2,906	6.8717	19,969
<u>Non-monetary items</u>			
USD:NTD	\$ 2,268	30.45	69,059
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 69	30.45	\$ 2,101
JPY:NTD	1,991	0.2288	456
<u>Non-monetary items: None</u>			

December 31, 2022			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD/RMB)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
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
<u>Non-monetary items</u>			
USD:NTD	\$ 2,187	30.71	\$ 67,052
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 51	30.71	\$ 1,566
JPY:NTD	4,432	0.2324	1,030
<u>Non-monetary items: None</u>			

March 31, 2022			
	Foreign currency		Book value (NTD/RMB)
	amount (In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 28,819	28.58	\$ 823,647
JPY:NTD	232,134	0.233	54,087
RMB:NTD	22,788	4.481	102,113
USD:RMB	10,216	6.348	64,851
<u>Non-monetary items</u>			
USD:NTD	\$ 2,560	28.58	\$ 73,178
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 21,274	28.676	\$ 610,053
JPY:NTD	10,395	0.237	2,464
<u>Non-monetary items</u> : 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 three-month periods ended March 31, 2023 and 2022 amounted to \$(6,659) and \$5,235, respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variation

	Three-month period ended March 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 5,143	\$ -
JPY:NTD	1%	410	-
RMB:NTD	1%	3,810	-
USD:RMB	1%	200	-
<u>Non-monetary items</u>			
USD:NTD	1%	\$ -	\$ 691
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 21)	\$ -
JPY:NTD	1%	(5)	-

		Three-month period ended March 31, 2022		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 8,236	\$ -
	JPY:NTD	1%	540	-
	RMB:NTD	1%	1,021	-
	USD:RMB	1%	649	-
<u>Non-monetary items</u>				
	USD:NTD	1%	\$ -	\$ 732
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(\$ 6,100)	\$ -
	JPY:NTD	1%	(25)	-

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 three-month periods ended March 31, 2023 and 2022 would have increased/decreased by \$358 and \$185, 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 \$1,281 and \$1,140, 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 the three-month periods ended March 31, 2023 and 2022, 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 \$1,116 and \$1,036, 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 March 31, 2023, December 31, 2022 and March 31, 2022, 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
<u>At March 31, 2023</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 2,126,406	\$ 81,152	\$ 101,366	\$ 116,058	\$ 2,424,982
Loss allowance	(\$ 143,989)	(\$ 27,840)	(\$ 20,971)	(\$ 76,587)	(\$ 269,387)
	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
<u>At December 31, 2022</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~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)
	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
<u>At March 31, 2022</u>					
Expected loss rate	0%~100%	2%~100%	4%~100%	10%~100%	
Total book value	\$ 2,249,144	\$ 22,280	\$ 25,211	\$ 94,217	\$ 2,390,852
Loss allowance	(\$ 189,562)	(\$ 13,614)	(\$ 18,566)	(\$ 32,910)	(\$ 254,652)

- 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:

	2023		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 270,761	\$ 146	\$ 14,579
(Reversal of) provision for impairment	(1,905)	1	(1,648)
Effect of foreign exchange	384	-	55
At March 31	<u>\$ 269,240</u>	<u>\$ 147</u>	<u>\$ 12,986</u>

	2022		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 220,726	\$ 37	\$ 56,110
(Reversal of) provision for impairment	31,380	149	(25,448)
Effect of foreign exchange	2,360	-	1,390
At March 31	<u>\$ 254,466</u>	<u>\$ 186</u>	<u>\$ 32,052</u>

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:

March 31, 2023				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 390,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,047</u>
December 31, 2022				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 388,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,555</u>
March 31, 2022				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 422,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,575</u>

(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 March 31, 2023, December 31, 2022 and March 31, 2022, the Group held money market position of \$1,320,839, \$1,369,238 and \$1,053,876, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Fixed rate:			
Expiring within one year	\$ 1,800,000	\$ 1,835,000	\$ 1,428,151
Expiring beyond one year	<u>286,000</u>	<u>241,000</u>	<u>200,000</u>
	<u>\$ 2,086,000</u>	<u>\$ 2,076,000</u>	<u>\$ 1,628,151</u>

- 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.

<u>March 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 730,000	\$ -	\$ -	\$ -
Notes payable	11,093	-	-	-
Accounts payable (including related party)	621,788	-	-	-
Other payables	1,183,355	-	-	-
Lease liability (including current portion)	13,951	10,689	-	-
Long-term borrowings (including current portion)	140,811	848,362	106,658	-
Guarantee deposits received	-	88	1,551	531
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	95	-	-	-
Option	528	-	-	-

December 31, 2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
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
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	329	-	-	-
March 31, 2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 811,849	\$ -	\$ -	\$ -
Notes payable	42,511	-	-	-
Accounts payable (including related party)	845,636	-	-	-
Other payables	671,473	-	-	-
Lease liability (including current portion)	11,479	12,013	-	-
Long-term borrowings (including current portion)	129,791	728,881	-	-
Guarantee deposits received	-	1,667	541	14
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	1,671	-	-	-

(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 March 31, 2023, December 31, 2022 and March 31, 2022 is as follows:

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

<u>March 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 175,949	\$ -	\$ -	\$ 175,949
Debt securities	3,780	-	-	3,780
Derivative instruments	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	<u>428,915</u>	<u>-</u>	<u>83,662</u>	<u>512,577</u>
	<u>\$ 608,644</u>	<u>\$ -</u>	<u>\$ 83,662</u>	<u>\$ 692,306</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 623)</u>	<u>\$ -</u>	<u>(\$ 623)</u>

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
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	<u>396,931</u>	<u>-</u>	<u>76,031</u>	<u>472,962</u>
	<u>\$ 603,112</u>	<u>\$ -</u>	<u>\$ 76,031</u>	<u>\$ 679,143</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 329)</u>	<u>\$ -</u>	<u>(\$ 329)</u>
<u>March 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 91,951	\$ 2,075	\$ -	\$ 94,026
Financial assets at fair value through other comprehensive income				
Equity securities	<u>343,359</u>	<u>-</u>	<u>112,573</u>	<u>455,932</u>
	<u>\$ 435,310</u>	<u>\$ 2,075</u>	<u>\$ 112,573</u>	<u>\$ 549,958</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 1,671)</u>	<u>\$ -</u>	<u>(\$ 1,671)</u>

(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 three-month periods ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- D. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
At January 1	\$ 76,031	\$ 121,832
Gain recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	7,653 (9,680)
Effect of exchange rate	(22)	421
At March 31	<u>\$ 83,662</u>	<u>\$ 112,573</u>

- E. For the three-month periods ended March 31, 2023 and 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 March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 70,926	Market comparable companies	Price to book ratio multiple	0.47~17.02	The higher the multiple and control premium, the higher the fair value
Venture capital shares	12,736	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund					
	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 value
Venture capital shares	13,224	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund					
	Fair value at March 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 86,793	Market comparable companies	Price to book ratio multiple	0.33~25.45	The higher the multiple and control premium, the higher the fair value
Venture capital shares	25,870	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund					

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:

			March 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	\$ -	\$ -	\$ 8,366	(\$ 8,366)
			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	\$ -	\$ -	\$ 7,603	(\$ 7,603)
			March 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	\$ -	\$ -	\$ 11,257	(\$ 11,257)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- 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: None.
- 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 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 3.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 4.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(4) Major shareholders information

Major shareholders information: Please refer to table 6.

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) 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:

<u>For the three-month period ended March 31, 2023</u>	<u>C SUN MFG. LTD.</u>	<u>Csun Technology (Guangzhou) Co., Ltd.</u>	<u>Creation Machines Co., Ltd.</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 546,724	\$ 134,063	\$ 198,023	\$ 88,044	\$ -	\$ 966,854
Inter-segment revenue	\$ 17,020	\$ 45,836	\$ 1,804	\$ 4,057	(\$ 68,717)	\$ -
Segment income	\$ 128,208	\$ 12,019	\$ 30,275	\$ 8,171	(\$ 31,974)	\$ 146,699
Total segment assets	\$ 6,791,464	\$ 1,541,833	\$ 1,403,866	\$ 593,508	(\$ 2,566,664)	\$ 7,764,007
<u>For the three-month period ended March 31, 2022</u>	<u>C SUN MFG. LTD.</u>	<u>Csun Technology (Guangzhou) Co., Ltd.</u>	<u>Creation Machines Co., Ltd.</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 575,873	\$ 245,236	\$ 379,581	\$ 38,832	\$ -	\$ 1,239,522
Inter-segment revenue	\$ 60,772	\$ 104,472	\$ 32,656	\$ 4,620	(\$ 202,520)	\$ -
Segment income	\$ 172,757	\$ 54,169	\$ 67,752	(\$ 330)	(\$ 88,382)	\$ 205,966
Total segment assets	\$ 6,406,038	\$ 1,646,869	\$ 1,873,089	\$ 505,340	(\$ 2,775,533)	\$ 7,655,803

(3) 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 three-month periods ended March 31, 2023 and 2022 is provided as follows:

	For the three-month period ended <u>March 31, 2023</u>	For the three-month period ended <u>March 31, 2022</u>
Reportable segments income	\$ 178,673	\$ 294,348
Other	(31,974)	(88,382)
Income before tax from continuing operations	<u>\$ 146,699</u>	<u>\$ 205,966</u>

C SUN MFG. LTD. and subsidiaries

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

March 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
C SUN MFG. LTD.	Longchamp Absolute Return Unit Trust Fund (USD)	None	Financial assets at fair value through profit or loss - current	16,754	\$ 71,225	-	\$ 71,225	
"	Longchamp Absolute Return Unit Trust Fund (JPY)	"	"	21,825	69,744	-	69,744	
"	Group Up Industrial Co., Ltd. - Unsecured convertible bonds	"	"	30,000	3,780	-	3,780	
"	Group Up Industrial Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	550,000	62,700	1.00	62,700	
"	Ampoc Far-East Co., Ltd.	"	"	5,466,000	292,431	4.78	292,431	
"	Yankey Engineering Co., Ltd.	"	"	52,700	14,493	0.05	14,493	
"	UTECHZONE CO., LTD.	"	"	596,000	55,666	0.88	55,666	
"	INNOLUX CORPORATION	"	"	250,000	3,625	0.42	3,625	
"	Advance Materials Corporation	"	Financial assets measured at fair value through other comprehensive income - non-current	1,423,770	10,906	1.21	10,906	
"	Emax Tech Co., Ltd.	Director	"	3,652,554	51,720	1.34	51,720	
"	Hua Da Venture Capital Corporation	"	"	300,000	2,157	6.00	2,157	
"	Luminescence Technology Corp.	None	"	454,000	7,536	1.80	7,536	
"	Aibdt Technology Inc.	"	"	1,624,755	764	1.79	764	
"	Gvt Fund Gp, L.P.	"	"	474,385	8,074	1.59	8,074	
C Sun (B.V.I) Ltd.	Gvt Fund Gp, L.P.	"	"	158,183	2,505	0.53	2,505	
"	Longchamp Absolute Return Unit Trust Fund (USD)	"	Financial assets at fair value through profit or loss - current	8,200	34,980	-	34,980	

Table 1

C SUN MFG. LTD. and subsidiaries
 Significant inter-company transactions during the reporting periods
 For the three-month period ended March 31, 2023

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				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	\$ 17,020	-	0.02	
	"	"	1	Purchases	45,664	-	0.05	

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 transactions of parent company with subsidiaries or transaction in subsidiaries refer to the same transaction, it will not be disclosed twice, for example; If parent company discloses a transaction with a subsidiary, then subsidiary will not disclose that transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The sales of the parent company with Csun Technology (Guangzhou) Co., Ltd. is strategy division for the Group, the price set of the transaction is based on the agreement, other transaction with non-parties are same with third parties. Transaction terms for the other transaction cannot be referenced to similiary transactions, all is based on the agreement.

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 discloses the amount of transactions that are more than \$10,000 and counterparties shall not be disclosed.

C SUN MFG. LTD. and subsidiaries
Information on investees
For the three-month period ended March 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2023			Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income(loss) recognised by the Company for the three-month period ended March 31, 2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Vitgin Islands	Investment	\$ 353,037	\$ 356,052	-	100.00	\$ 2,449,589	\$ 48,807	\$ 48,807	
"	K Sun (Samoa) Ltd.	Samoa	Investment	70,400	71,002	-	100.00	21,758 (244) (244)	
"	Wat Sun. Intelligent Technology Co., Ltd.	Taiwan	Machinery and equipment manufacturing	700,000	700,000	70,000,000	100.00	-	-	-	Note 2
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	888,243	888,243	44,758,827	27.38	1,039,098	33,008	9,038	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	107,422	83,624	2,069,000	7.32	126,497	788	124	
"	Viewmove Technologies, Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	27,389	27,389	676,504	20.70	38,746	2,781	770	
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	17,661	17,812	580,000	100.00	90,932	785	785	
"	Power Ever Enterprises Limited	Samoa	Investment	179,960	181,496	-	77.47	1,053,664	45,731	35,430	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	182,700	184,260	6,000,000	100.00	1,330,212	51,798	51,798	
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	1,703 (986) (986)	

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 March 31, 2023, the liquidation process has not yet been completed.

C SUN MFG. LTD. and subsidiaries
Information on investments in Mainland China
For the three-month period ended March 31, 2023

Table 4

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, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net profit (loss) of investee for the three-month period ended March 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2023 (Note 2(2))	Book value of investments in Mainland China as of March 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	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.	\$ 146,241	\$ -	\$ -	\$ 145,003	\$ 12,018	100.00	\$ 12,018	\$ 1,290,184	\$ 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.	17,812	-	-	17,661	3,138	25.00	785	69,059	-	Note 2 (2)(C)
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.	7,404	-	-	7,342	-	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.	5,304	-	-	5,259	-	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.	180,790	-	-	179,259	27,141	77.47	21,026	968,576	83,808	Note 2 (2) (B) 、 Note 4
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.	-	-	-	-	981	100.00	981	198,664	-	Note 2 (2) (C)
Nantong Chuangfeng Photoelectric Equipment Co., Ltd.	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.	-	-	-	-	24,657	77.47	19,102	361,561	-	Note 2 (2) (C) 、 Note 4 、 Note 5
Company name				Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023			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.				\$342,412			\$163,254			\$1,924,924			

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 invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the three-month period ended March 31, 2023' 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: 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: Good Team International Enterprises Limited reinvested in Nantong Chuangfeng Photoelectric Equipment Co., Ltd. by using the cash dividends of US\$ 10,000 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 three-month period ended March 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
	Amount	%	Amount	%	Balance at March 31, 2023	%	Balance at March 31, 2023	Purpose	Maximum balance during the three-month period ended March 31, 2023	Balance at March 31, 2023	Interest rate	Interest during the three-month period ended March 31, 2023	Others
Csun Technology (Guangzhou) Co., Ltd.	\$ 17,020	1.76	\$ 45,664	7.54	\$ -	-	\$ -	-	-	-	-	-	-

C SUN MFG. LTD. and subsidiaries

Information of major shareholders

March 31, 2023

Table 6

Name of major shareholders	Shares	
	Number of shares held	Holding percentage
Gallant Precision Machining Co.,Ltd.	15,754,082	10.05%
Hai-Xing Investment Co.,Ltd.	14,971,743	9.55%
Pin-Zhi Investment Co.,Ltd.	12,119,560	7.73%

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.