

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2024 AND 2023
(Stock Code : 2467)

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR24000115

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 June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the 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 \$979,678 thousand and \$791,251 thousand, constituting 9.89% and 10.33% of the consolidated total assets, and total liabilities of \$30,999 thousand and \$42,066 thousand, constituting 0.60% and 0.97% of the consolidated total liabilities as at June 30, 2024 and 2023, respectively, and total comprehensive income of \$9,371 thousand, (\$6,725) thousand, \$17,268 thousand and (\$1,611) thousand, constituting 1.06%, (5.41%), 1.03%, and (0.38%) of the consolidated total comprehensive income for the three-month and six-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 \$2,073,469 thousand and \$1,230,038 thousand as at June 30, 2024 and 2023, respectively, and the comprehensive income recognized from associates accounted for using the equity method amounted to \$353,360 thousand, \$37,801 thousand, \$756,352 thousand, and \$92,429 thousand, constituting 40.07%, 30.43%, 45.17%, and 22.03% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Except 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three-month and six-month periods then ended its consolidated cash flows for the six-month periods then ended in accordance with the 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

August 1, 2024

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
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,807,480	18	\$ 1,432,549	18	\$ 1,554,714	20
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		5,219	-	5,310	-	12,246	-
1120	Current financial assets at fair	6(3)						
	value through other comprehensive							
	income		1,259,130	13	719,827	9	496,815	6
1136	Current financial assets at	6(4)						
	amortised cost, net		172,198	2	-	-	-	-
1150	Notes receivable, net	6(5)	54,739	1	78,841	1	115,340	2
1170	Accounts receivable, net	6(5)	1,613,926	16	1,667,438	21	1,810,946	24
1180	Accounts receivable - related	6(5) and 7						
	parties		300	-	123	-	25	-
1200	Other receivables		39,715	-	51,578	-	13,788	-
1210	Other receivables due from related	7						
	parties		64,781	1	-	-	92,296	1
130X	Inventories	6(6)	751,147	8	718,450	9	689,147	9
1410	Prepayments	7	52,582	-	64,347	1	43,503	1
1470	Other current assets		7,252	-	8,470	-	7,902	-
11XX	Current Assets		5,828,469	59	4,746,933	59	4,836,722	63
Non-current assets								
1517	Non-current financial assets at fair	6(3)						
	value through other comprehensive							
	income		107,482	1	89,395	1	88,916	1
1535	Non-current financial assets at	6(4)						
	amortised cost, net		627,274	6	692,055	9	379,338	5
1550	Investments accounted for under	6(7)						
	equity method		2,073,469	21	1,377,818	17	1,230,038	16
1600	Property, plant and equipment	6(8), 7 and 8	981,091	10	776,634	10	783,180	10
1755	Right-of-use assets	6(9)	69,452	1	68,301	1	75,042	1
1780	Intangible assets		50,552	1	47,144	1	49,585	1
1840	Deferred income tax assets		130,380	1	162,291	2	171,981	2
1900	Other non-current assets	6(5)	37,918	-	43,657	-	41,257	1
15XX	Non-current assets		4,077,618	41	3,257,295	41	2,819,337	37
1XXX	Total assets		\$ 9,906,087	100	\$ 8,004,228	100	\$ 7,656,059	100

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2100 Short-term borrowings	6(11)	\$ 1,290,000	13	\$ 730,000	9	\$ 1,170,000	15
2120 Current financial liabilities at fair value through profit or loss	6(12)	159	-	16,474	-	813	-
2130 Current contract liabilities	6(21)	431,571	4	352,454	5	425,530	6
2150 Notes payable		9,832	-	4,489	-	7,972	-
2170 Accounts payable		920,987	9	771,216	10	539,832	7
2180 Accounts payable - related parties	7	37,450	1	7,433	-	22,562	-
2200 Other payables	6(13)	694,935	7	724,489	9	617,050	8
2230 Current income tax liabilities	6(28)	33,593	-	22,644	-	9,624	-
2280 Current lease liabilities	6(9)	12,930	-	13,694	-	15,749	-
2320 Long-term liabilities, current portion	6(14)	300,000	3	300,000	4	135,000	2
2399 Other current liabilities, others		7,495	-	7,596	-	7,261	-
21XX Current Liabilities		<u>3,738,952</u>	<u>37</u>	<u>2,950,489</u>	<u>37</u>	<u>2,951,393</u>	<u>38</u>
Non-current liabilities							
2540 Long-term borrowings	6(14)	963,000	10	1,163,000	14	884,000	12
2570 Deferred income tax liabilities		485,344	5	464,625	6	472,500	6
2580 Non-current lease liabilities	6(9)	9,809	-	9,412	-	13,627	-
2600 Other non-current liabilities		1,683	-	2,123	-	2,111	-
25XX Non-current liabilities		<u>1,459,836</u>	<u>15</u>	<u>1,639,160</u>	<u>20</u>	<u>1,372,238</u>	<u>18</u>
2XXX Total Liabilities		<u>5,198,788</u>	<u>52</u>	<u>4,589,649</u>	<u>57</u>	<u>4,323,631</u>	<u>56</u>
Equity attributable to owners of parent							
Share capital	6(17)						
3110 Share capital - common stock		1,567,553	16	1,567,553	20	1,567,553	21
Capital surplus	6(18)						
3200 Capital surplus		310,804	2	274,026	3	273,693	4
Retained earnings	6(19)						
3310 Legal reserve		463,150	5	413,304	5	413,304	5
3320 Special reserve		51,901	1	51,901	1	51,901	1
3350 Unappropriated retained earnings		756,754	8	847,720	11	569,009	7
Other equity interest	6(20)						
3400 Other equity interest		1,592,946	16	360,209	4	163,877	2
3500 Treasury shares	6(17)	(398,506)	(4)	(425,511)	(5)	-	-
31XX Equity attributable to owners of the parent		<u>4,344,602</u>	<u>44</u>	<u>3,089,202</u>	<u>39</u>	<u>3,039,337</u>	<u>40</u>
36XX Non-controlling interest		<u>362,697</u>	<u>4</u>	<u>325,377</u>	<u>4</u>	<u>293,091</u>	<u>4</u>
3XXX Total equity		<u>4,707,299</u>	<u>48</u>	<u>3,414,579</u>	<u>43</u>	<u>3,332,428</u>	<u>44</u>
Significant contingent liabilities and unrecognised contract commitments	9						
3X2X Total liabilities and equity		<u>\$ 9,906,087</u>	<u>100</u>	<u>\$ 8,004,228</u>	<u>100</u>	<u>\$ 7,656,059</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 AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2024		2023		2024		2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21) and 7	\$ 1,349,332	100	\$ 728,682	100	\$ 2,429,353	100	\$ 1,695,536	100
5000	Operating costs	6(6)(26)(27)								
		and 7	(836,365)	(62)	(447,002)	(61)	(1,449,780)	(60)	(1,052,682)	(62)
5900	Net operating margin		512,967	38	281,680	39	979,573	40	642,854	38
	Operating expenses	6(26)(27)								
6100	Selling expenses		(119,314)	(9)	(109,238)	(15)	(244,875)	(10)	(205,301)	(12)
6200	General and administrative expenses		(107,185)	(8)	(65,187)	(9)	(199,118)	(8)	(135,879)	(8)
6300	Research and development expenses		(88,434)	(6)	(70,303)	(10)	(181,922)	(7)	(143,070)	(8)
6450	Expected credit losses	12(2)	(20,981)	(2)	20,305	3	(21,661)	(1)	23,857	1
6000	Total operating expenses		(335,914)	(25)	(224,423)	(31)	(647,576)	(26)	(460,393)	(27)
6900	Operating profit		177,053	13	57,257	8	331,997	14	182,461	11
	Non-operating income and expenses									
7100	Interest income	6(22)	15,162	1	7,024	1	24,451	1	10,715	1
7010	Other income	6(23)	7,505	1	4,688	1	15,038	1	27,847	2
7020	Other gains and losses	6(24) and 7	16,292	1	11,145	1	72,361	3	729	-
7050	Finance costs	6(25)	(12,326)	(1)	(8,775)	(1)	(24,243)	(1)	(14,431)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	37,396	3	15,210	2	62,337	2	25,927	1
7000	Total non-operating income and expenses		64,029	5	29,292	4	149,944	6	50,787	3
7900	Profit before income tax		241,082	18	86,549	12	481,941	20	233,248	14
7950	Income tax expense	6(28)	(41,834)	(3)	(7,246)	(1)	(105,074)	(4)	(13,197)	(1)
8200	Profit for the period		\$ 199,248	15	\$ 79,303	11	\$ 376,867	16	\$ 220,051	13

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss	6(20)								
8316 Unrealized gains on investments in equity instruments at fair value through other comprehensive income	6(3)	\$ 345,462	26	\$ 81,102	11	\$ 490,543	20	\$ 181,108	11
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		<u>314,095</u>	<u>23</u>	<u>30,455</u>	<u>4</u>	<u>688,114</u>	<u>28</u>	<u>73,130</u>	<u>4</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>659,557</u>	<u>49</u>	<u>111,557</u>	<u>15</u>	<u>1,178,657</u>	<u>48</u>	<u>254,238</u>	<u>15</u>
Components of other comprehensive income that will be reclassified to profit or loss	6(20)								
8361 Financial statements translation differences of foreign operations		25,704	2	(71,401)	(10)	137,423	6	(58,533)	(4)
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		1,869	-	(7,864)	(1)	5,901	-	(6,628)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	(4,449)	(1)	12,627	2	(24,247)	(1)	10,351	1
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>23,124</u>	<u>1</u>	<u>(66,638)</u>	<u>(9)</u>	<u>119,077</u>	<u>5</u>	<u>(54,810)</u>	<u>(3)</u>
8300 Other comprehensive income for the period		<u>\$ 682,681</u>	<u>50</u>	<u>\$ 44,919</u>	<u>6</u>	<u>\$ 1,297,734</u>	<u>53</u>	<u>\$ 199,428</u>	<u>12</u>
8500 Total comprehensive income for the period		<u>\$ 881,929</u>	<u>65</u>	<u>\$ 124,222</u>	<u>17</u>	<u>\$ 1,674,601</u>	<u>69</u>	<u>\$ 419,479</u>	<u>25</u>
Profit attributable to:									
8610 Owners of the parent		\$ 187,121	14	\$ 77,010	11	\$ 359,294	15	\$ 207,457	12
8620 Non-controlling interest		12,127	1	2,293	-	17,573	1	12,594	1
Profit for the period		<u>\$ 199,248</u>	<u>15</u>	<u>\$ 79,303</u>	<u>11</u>	<u>\$ 376,867</u>	<u>16</u>	<u>\$ 220,051</u>	<u>13</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 866,346	64	\$ 130,131	18	\$ 1,640,844	68	\$ 413,664	25
8720 Non-controlling interest		<u>15,583</u>	<u>1</u>	<u>(5,909)</u>	<u>(1)</u>	<u>33,757</u>	<u>1</u>	<u>5,815</u>	<u>-</u>
Total comprehensive income for the period		<u>\$ 881,929</u>	<u>65</u>	<u>\$ 124,222</u>	<u>17</u>	<u>\$ 1,674,601</u>	<u>69</u>	<u>\$ 419,479</u>	<u>25</u>
Basic earnings per share	6(29)								
9750 Total basic earnings per share		<u>\$ 1.25</u>		<u>\$ 0.49</u>		<u>\$ 2.40</u>		<u>\$ 1.32</u>	
Diluted earnings per share	6(29)								
9850 Total diluted earnings per share		<u>\$ 1.25</u>		<u>\$ 0.49</u>		<u>\$ 2.40</u>		<u>\$ 1.32</u>	

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

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

<u>2023</u>													
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		-	-	-	-	207,457	-	-	-	-	207,457	12,594	220,051
Other comprehensive income (loss) for the period	6(20)	-	-	-	-	-	(48,031)	254,238	-	-	206,207	(6,779)	199,428
Total comprehensive income (loss)		-	-	-	-	207,457	(48,031)	254,238	-	-	413,664	5,815	419,479
Appropriation of 2022 earnings:	6(19)												
Legal reserve		-	-	74,686	-	(74,686)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(564,319)	-	-	-	(564,319)	-	(564,319)	-
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	-	12,841	-	(12,841)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	-	-	-	(546)	-	-	-	(546)	-	(546)	-
Balance at June 30, 2023		\$ 1,567,553	\$ 273,693	\$ 413,304	\$ 51,901	\$ 569,009	(\$ 149,566)	\$ 312,913	\$ 530	\$ -	\$ 3,039,337	\$ 293,091	\$ 3,332,428
<u>2024</u>													
Balance at January 1, 2024		\$ 1,567,553	\$ 274,026	\$ 413,304	\$ 51,901	\$ 847,720	(\$ 138,358)	\$ 498,037	\$ 530	(\$ 425,511)	\$ 3,089,202	\$ 325,377	\$ 3,414,579
Profit for the period		-	-	-	-	359,294	-	-	-	-	359,294	17,573	376,867
Other comprehensive income for the period	6(20)	-	-	-	-	-	102,893	1,178,657	-	-	1,281,550	16,184	1,297,734
Total comprehensive income		-	-	-	-	359,294	102,893	1,178,657	-	-	1,640,844	33,757	1,674,601
Appropriation of 2023 earnings:	6(19)												
Legal reserve		-	-	49,846	-	(49,846)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(449,227)	-	-	-	(449,227)	-	(449,227)	-
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	-	47,033	-	(47,033)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	690	-	-	1,780	-	(1,780)	-	-	690	-	690
Share-based payment arrangements	6(16)	-	36,000	-	-	-	-	-	-	-	36,000	-	36,000
Stock repurchase	6(17)	-	-	-	-	-	-	-	(1,407)	(1,407)	-	(1,407)	-
Treasury stock transferred to employees		-	88	-	-	-	-	-	-	28,412	28,500	-	28,500
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	3,563	3,563
Balance at June 30, 2024		\$ 1,567,553	\$ 310,804	\$ 463,150	\$ 51,901	\$ 756,754	(\$ 35,465)	\$ 1,627,881	\$ 530	(\$ 398,506)	\$ 4,344,602	\$ 362,697	\$ 4,707,299

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 481,941	\$ 233,248
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	36,582	36,857
Amortization	6(26)	2,997	2,920
Expected credit impairment loss	12(2)	21,661	(23,857)
Net gain on financial assets or liabilities at fair value through profit or loss	6(24)	(36,531)	(10,230)
Interest expense	6(25)	24,243	14,431
Interest income	6(22)	(24,451)	(10,715)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(62,337)	(25,927)
Loss on disposal of property, plant and equipment, net	6(24)	(89)	132
Loss on disposal of intangible assets	6(24)	-	742
Gains on disposals of investments	6(24)	(204)	(708)
Cost of share-based payments	6(16)	36,000	-
Impairment loss from non-financial assets		673	662
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		20,511	205,176
Notes receivable		27,227	(4,559)
Accounts receivable		76,383	509,049
Accounts receivable-related parties		(177)	(334)
Other receivables		-	3,158
Inventories		(14,488)	254,222
Prepayments		12,842	13,557
Other current assets		(1,735)	(2,013)
Other non-current assets		-	(4,654)
Changes in operating liabilities			
Contract liabilities		71,566	(240,206)
Notes payable		5,343	(10,717)
Accounts payable		130,575	(258,711)
Accounts payable-related parties		12,916	1,482
Other payables		(45,282)	(198,055)
Other current liabilities		(325)	(8,313)
Cash inflow generated from operations		775,841	476,637
Interest paid		(24,472)	(16,072)
Income tax paid		(66,331)	(101,622)
Net cash flows from operating activities		685,038	358,943

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 148,788)	(\$ 1,900)
Proceeds from disposal of financial assets at fair value through other comprehensive income		81,837	70,214
Acquisition of financial assets at amortised cost		(118,116)	(132,345)
Proceeds from disposal of financial assets at amortised cost		34,682	132,284
Increase in investment accounted for under the equity method		-	(32,800)
Acquisition of property, plant and equipment	6(31)	(224,308)	(7,974)
Proceeds from disposal of property, plant and equipment		1,048	300
Acquisition of intangible assets		(4,463)	(1,625)
Refundable deposits refunded (paid)		5,166	(3,293)
Interest received		33,807	9,359
Net cash flow from acquisition of subsidiaries due to business combination	6(30)	1,356	-
Net cash flows (used in) from investing activities		(337,779)	32,220
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(32)	1,890,000	1,080,000
Repayment of short-term borrowings	6(32)	(1,330,000)	(605,000)
Proceeds from long-term borrowings	6(32)	-	200,000
Repayment of long-term borrowings	6(32)	(200,000)	(281,000)
Decrease in guarantee deposits received		(539)	-
Repayment of principal portion of lease liabilities	6(32)	(8,528)	(8,337)
Cost of repurchase of treasury shares		(1,407)	-
Treasury stock transferred to employees		28,500	-
Payment of cash dividends	6(19)	(449,227)	(564,319)
Net cash flows used in financing activities		(71,201)	(178,656)
Effect of exchange rate		98,873	(29,603)
Net increase in cash and cash equivalents		374,931	182,904
Cash and cash equivalents at beginning of period	6(1)	1,432,549	1,371,810
Cash and cash equivalents at end of period	6(1)	\$ 1,807,480	\$ 1,554,714

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 SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 1, 2024.

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[®]”) Accounting Standards 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 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
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
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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards –Volume 11	January 1, 2026

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

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as 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, 2023.

(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 2023 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	Holding company	100%	100%	100%	Note 3
C SUN MFG. LTD.	K Sun (Samoa) Ltd.	Holding company	100%	100%	100%	Note 3
C SUN MFG. LTD.	Wat Sun. Intelligent Technology Co., Ltd.	Manufacturing and Selling	-	-	-	Notes 1 & 3
C SUN MFG. LTD.	CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Manufacturing and Selling	100%	-	-	Notes 2 & 3
C SUN MFG. LTD.	Hong-Teng Corp.	Manufacturing and Selling	70%	-	-	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 3
C Sun (B.V.I.) Ltd.	Power Ever Enterprises Limited	Holding company	77.47%	77.47%	77.47%	Note 3
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Holding company	100%	100%	100%	Note 3
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%	100%	Note 3
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines CO., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 3
Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chunag Gao Xin Materials Technology Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 3

Note 1: Wat Sun. Intelligent Technology Co., Ltd. completed the liquidation on October 13, 2023.

Note 2: CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD. was established in January 2024.

Note 3: As these subsidiaries did not meet the definition of significant subsidiaries, the financial statements as of June 30, 2024 and 2023 were not reviewed by independent auditors.

Note 4: In May 2024, the Group acquired 70% equity interests in Hong-Teng Corp., and had obtained the control over the company. As a result, the company became a subsidiary of the Company.

- 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

Defined contribution 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 recognised 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.

(6) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

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

There have been no significant changes as of June 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and revolving funds	\$ 1,542	\$ 2,121	\$ 2,577
Checking accounts and demand deposits	1,613,489	1,408,934	1,480,515
Time deposits	<u>192,449</u>	<u>21,494</u>	<u>71,622</u>
Total	<u>\$ 1,807,480</u>	<u>\$ 1,432,549</u>	<u>\$ 1,554,714</u>

A. 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.

B. The Group has no cash and cash equivalents pledged to others.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 5,282	\$ -	\$ -
Hybrid instruments	-	3,030	3,030
Derivatives	<u>-</u>	<u>-</u>	<u>-</u>
	5,282	3,030	3,030
Valuation adjustment	(63)	2,280	9,216
	<u>\$ 5,219</u>	<u>\$ 5,310</u>	<u>\$ 12,246</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 June 30, 2024</u>	<u>For the three-month period ended June 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 103)	\$ -
Beneficiary certificates	1,770	100
Hybrid instruments	3,127	840
Derivative instruments	<u>(7,063)</u>	<u>7,304</u>
	<u>(\$ 2,269)</u>	<u>\$ 8,244</u>

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 103)	\$ -
Beneficiary certificates	16,831	2,473
Hybrid instruments	3,487	1,320
Derivative instruments	-	7,304
	<u>\$ 20,215</u>	<u>\$ 11,097</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 June 30, 2024 and December 31, 2023)

	June 30, 2023	
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 18,900	2023/3-2023/10
"	JPY 350,000	2023/6-2023/12

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	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Equity instruments			
Listed stocks	\$ 547,853	\$ 433,869	\$ 293,644
Valuation adjustment	711,277	285,958	203,171
	<u>\$ 1,259,130</u>	<u>\$ 719,827</u>	<u>\$ 496,815</u>
Non-current items:			
Equity instruments			
Emerging stocks	\$ 25,634	\$ 25,634	\$ 25,634
Unlisted stocks	53,562	53,279	45,450
	79,196	78,913	71,084
Valuation adjustment	28,286	10,482	17,832
	<u>\$ 107,482</u>	<u>\$ 89,395</u>	<u>\$ 88,916</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 \$1,366,612, \$809,222 and \$585,731 as at June 30, 2024, December 31, 2023 and June 30, 2023, 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:

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 345,462</u>	<u>\$ 81,102</u>
Cumulative losses reclassified to retained earnings due to derecognition	<u>\$ -</u>	<u>(\$ 2,364)</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 490,543</u>	<u>\$ 181,108</u>
Cumulative losses reclassified to retained earnings due to derecognition	<u>(\$ 47,033)</u>	<u>(\$ 12,841)</u>

C. As at June 30, 2024, December 31, 2023 and June 30, 2023, 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 \$1,366,612, \$809,222 and \$585,731, 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current items:			
Time deposits over three months	<u>\$ 172,198</u>	<u>\$ -</u>	<u>\$ -</u>
Non-current items :			
Time deposits over twelve months	\$ 409,791	\$ 511,555	\$ 379,338
Corporate bonds	<u>217,483</u>	<u>180,500</u>	<u>-</u>
	<u>\$ 627,274</u>	<u>\$ 692,055</u>	<u>\$ 379,338</u>

A. As at June 30, 2024, December 31, 2023 and June 30, 2023, 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 \$799,472, \$692,055 and \$379,338, 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ 54,778	\$ 78,869	\$ 115,418
Less: Allowance for uncollectible accounts	(39)	(28)	(78)
	<u>\$ 54,739</u>	<u>\$ 78,841</u>	<u>\$ 115,340</u>
Accounts receivable	\$ 1,918,481	\$ 1,943,436	\$ 2,049,086
Accounts receivable-related parties	300	123	25
	<u>1,918,781</u>	<u>1,943,559</u>	<u>2,049,111</u>
Less: Allowance for uncollectible accounts	(304,555)	(275,998)	(238,140)
	<u>\$ 1,614,226</u>	<u>\$ 1,667,561</u>	<u>\$ 1,810,971</u>
Overdue receivable (shown as other non-current assets)	\$ 5,270	\$ 9,231	\$ 20,768
Less: Allowance for uncollectible accounts	(5,270)	(9,231)	(20,768)
	<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>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</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	\$1,517,501	\$54,778	\$1,567,104	\$78,869	\$1,768,903	\$115,148
61 to 120 days	88,053	-	157,231	-	103,580	-
121 to 180 days	43,814	-	53,482	-	56,124	-
Over 180 days	269,413	-	165,742	-	120,504	-
	<u>\$1,918,781</u>	<u>\$54,778</u>	<u>\$1,943,559</u>	<u>\$78,869</u>	<u>\$2,049,111</u>	<u>\$115,148</u>

The above ageing analysis was based on past due date.

B. As of June 30, 2024, December 31, 2023 and June 30, 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023 the balance of receivables from contracts with customers amounted to \$2,698,158.

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

D. As of June 30, 2024, December 31, 2023 and June 30, 2023, 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 \$54,739, \$78,841 and \$115,340; \$1,614,226, \$1,667,561 and \$1,810,971, respectively.

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

(6) Inventories

June 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 206,890	(\$ 83,046)	\$ 123,844
Work in progress	540,158	(125,109)	415,049
Finished goods	291,602	(79,348)	212,254
Total	<u>\$ 1,038,650</u>	<u>(\$ 287,503)</u>	<u>\$ 751,147</u>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 159,040	(\$ 90,003)	\$ 69,037
Work in progress	550,690	(126,488)	424,202
Finished goods	297,791	(72,580)	225,211
Total	<u>\$ 1,007,521</u>	<u>(\$ 289,071)</u>	<u>\$ 718,450</u>
June 30, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 201,198	(\$ 95,509)	\$ 105,689
Work in progress	540,458	(170,097)	370,361
Finished goods	306,341	(93,244)	213,097
Total	<u>\$ 1,047,997</u>	<u>(\$ 358,850)</u>	<u>\$ 689,147</u>

The cost of inventories recognised as expense for the period:

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Cost of goods sold and others	\$ 847,375	\$ 448,272
Gain on reversal of decline in market value	(14,829)	(1,270)
Loss on abandonment of inventories	3,851	-
Others	(32)	-
Total	<u>\$ 836,365</u>	<u>\$ 447,002</u>

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Cost of goods sold and others	\$ 1,451,763	\$ 1,024,963
(Gain on reversal of decline) loss on decline in market value	(5,802)	27,719
Loss on abandonment of inventories	3,851	-
Others	(32)	-
Total	<u>\$ 1,449,780</u>	<u>\$ 1,052,682</u>

The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because the Group's recognition of valuation loss on goods when the related items were sold for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024.

(7) Investments accounted for using equity method

	June 30, 2024	December 31, 2023	June 30, 2023
Associates:			
Gallant Precision Machining Co., Ltd.	\$ 1,790,037	\$ 1,131,004	\$ 988,708
Gallant Micro. Machining Co., Ltd.	172,903	143,343	134,141
Alpha-Cure Asia Co., Ltd.	72,554	66,758	67,945
Viewmove Technologies, Inc.	37,975	36,713	39,244
	<u>\$ 2,073,469</u>	<u>\$ 1,377,818</u>	<u>\$ 1,230,038</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
		June 30, 2024	December 31, 2023	June 30, 2023		
Gallant Precision Machining Co., Ltd.	Taiwan	27.38%	27.38%	27.38%	Business strategy	Equity method
Gallant Micro. Machining Co., Ltd.	Taiwan	23.49% (Note)	23.49% (Note)	23.49% (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%	20.70%	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.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 4,110,451	\$ 4,819,299	\$ 4,400,186
Non-current assets	6,656,051	3,870,771	2,950,794
Current liabilities	(3,427,695)	(4,196,122)	(3,432,400)
Non-current liabilities	(1,021,435)	(739,056)	(748,644)
Total net assets	<u>\$ 6,317,372</u>	<u>\$ 3,754,892</u>	<u>\$ 3,169,936</u>
Share in associate's net assets	\$ 1,525,903	\$ 866,870	\$ 724,574
Goodwill	<u>264,134</u>	<u>264,134</u>	<u>264,134</u>
Carrying amount of the associate	<u>\$ 1,790,037</u>	<u>\$ 1,131,004</u>	<u>\$ 988,708</u>

	Gallant Micro. Machining Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 1,958,979	\$ 2,398,530	\$ 1,761,414
Non-current assets	1,357,256	958,896	757,945
Current liabilities	(1,347,260)	(1,794,399)	(1,105,280)
Non-current liabilities	(303,434)	(262,472)	(263,951)
Total net assets	<u>\$ 1,665,541</u>	<u>\$ 1,300,555</u>	<u>\$ 1,150,128</u>
Share in associate's net assets	\$ 127,016	\$ 97,456	\$ 86,700
Goodwill	<u>45,887</u>	<u>45,887</u>	<u>47,441</u>
Carrying amount of the associate	<u>\$ 172,903</u>	<u>\$ 143,343</u>	<u>\$ 134,141</u>

Statement of comprehensive income

	Gallant Precision Machining Co., Ltd.	
	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Revenue	<u>\$ 898,271</u>	<u>\$ 658,174</u>
Profit for the period from continuing operations	\$ 135,930	\$ 52,332
Other comprehensive income , net of tax	<u>1,178,254</u>	<u>89,210</u>
Total comprehensive income	<u>\$ 1,314,184</u>	<u>\$ 141,542</u>
Dividends received from associates	<u>\$ 53,711</u>	<u>\$ 80,566</u>

	Gallant Precision Machining Co., Ltd.	
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Revenue	\$ 1,920,925	\$ 1,396,160
Profit for the period from continuing operations	\$ 242,148	\$ 94,121
Other comprehensive income, net of tax	2,573,250	255,210
Total comprehensive income	\$ 2,815,398	\$ 349,331
Dividends received from associates	\$ 53,711	\$ 80,566

	Gallant Micro. Machining Co., Ltd.	
	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Revenue	\$ 423,068	\$ 226,845
Profit for the period from continuing operations	\$ 63,707	\$ 27,658
Other comprehensive income, net of tax	171,197	53,531
Total comprehensive income	\$ 234,904	\$ 81,189
Dividends received from associates	\$ 11,070	\$ 11,730

	Gallant Micro. Machining Co., Ltd.	
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Revenue	\$ 1,118,384	\$ 483,315
Profit for the period from continuing operations	\$ 202,620	\$ 42,171
Other comprehensive income, net of tax	294,962	75,634
Total comprehensive income	\$ 497,582	\$ 117,805
Dividends received from associates	\$ 11,070	\$ 11,730

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 June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$110,529, \$103,471 and \$107,189, respectively.

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Profit for the period from continuing operations	\$ 2,236	\$ 1,303
Other comprehensive income, net of tax	-	-
Total comprehensive income	\$ 2,236	\$ 1,303
Dividends received from associates	\$ -	\$ -

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Profit for the period from continuing operations	\$ 3,667	\$ 2,858
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 3,667</u>	<u>\$ 2,858</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 June 30, 2024, December 31, 2023 and June 30, 2023, the fair values were \$3,580,706, \$1,360,668 and \$1,405,427, respectively.
- E. The Group's material associate Gallant Micro. Machining Co., Ltd. has quoted market prices. As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair values were \$1,339,470, \$318,816 and \$192,839, 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 \$37,396, \$15,210, \$62,337 and \$25,927 for the three-month and six-month periods ended June 30, 2024 and 2023, respectively.

(8) Property, plant and equipment

	2024							
	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	\$ 688,348	\$ 104,564	\$ 102,843	\$ 25,875	\$ 143,315	\$ 764	\$ 1,335,740
Accumulated depreciation	-	(278,350)	(89,629)	(71,205)	(16,277)	(103,645)	-	(559,106)
	<u>\$ 270,031</u>	<u>\$ 409,998</u>	<u>\$ 14,935</u>	<u>\$ 31,638</u>	<u>\$ 9,598</u>	<u>\$ 39,670</u>	<u>\$ 764</u>	<u>\$ 776,634</u>
Opening net book amount as at January 1	\$ 270,031	\$ 409,998	\$ 14,935	\$ 31,638	\$ 9,598	\$ 39,670	\$ 764	\$ 776,634
Additions	166,254	40,916	786	3,538	-	5,477	7,118	224,089
Business combination	-	139	1,771	-	-	6	-	1,916
Disposals	-	-	(57)	(40)	(537)	(325)	-	(959)
Reclassifications (Note)	-	-	-	(3,238)	-	213	(644)	(3,669)
Depreciation charge	-	(10,537)	(1,160)	(7,356)	(1,702)	(6,554)	-	(27,309)
Net exchange differences	-	7,104	728	649	346	1,562	-	10,389
Closing net book amount as at June 30	<u>\$ 436,285</u>	<u>\$ 447,620</u>	<u>\$ 17,003</u>	<u>\$ 25,191</u>	<u>\$ 7,705</u>	<u>\$ 40,049</u>	<u>\$ 7,238</u>	<u>\$ 981,091</u>
At June 30								
Cost	\$ 436,285	\$ 742,651	\$ 113,014	\$ 105,536	\$ 25,774	\$ 149,392	\$ 7,238	\$ 1,579,890
Accumulated depreciation	-	(295,031)	(96,011)	(80,345)	(18,069)	(109,343)	-	(598,799)
	<u>\$ 436,285</u>	<u>\$ 447,620</u>	<u>\$ 17,003</u>	<u>\$ 25,191</u>	<u>\$ 7,705</u>	<u>\$ 40,049</u>	<u>\$ 7,238</u>	<u>\$ 981,091</u>

Note: It refers to construction in progress and prepayment for equipment transferred to office equipment amounting to \$431 and other equipment amounting to \$213; office equipment transferred to intangible assets amounting to \$3,669.

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	325	3,358	-	3,252	256	8,109
Disposals	-	(3)	(80)	(73)	(219)	(57)	-	(432)
Reclassifications	-	2,513	-	-	-	73	(2,586)	-
Depreciation charge	-	(9,564)	(2,228)	(7,320)	(1,488)	(7,273)	-	(27,873)
Net exchange differences	-	(3,337)	(355)	(324)	(172)	(826)	(3)	(5,017)
Closing net book amount as at June 30	<u>\$ 270,031</u>	<u>\$ 415,459</u>	<u>\$ 15,312</u>	<u>\$ 31,935</u>	<u>\$ 8,277</u>	<u>\$ 41,914</u>	<u>\$ 252</u>	<u>\$ 783,180</u>
At June 30								
Cost	\$ 270,031	\$ 683,479	\$ 109,468	\$ 110,045	\$ 23,636	\$ 146,049	\$ 252	\$ 1,342,960
Accumulated depreciation	-	(268,020)	(94,156)	(78,110)	(15,359)	(104,135)	-	(559,780)
	<u>\$ 270,031</u>	<u>\$ 415,459</u>	<u>\$ 15,312</u>	<u>\$ 31,935</u>	<u>\$ 8,277</u>	<u>\$ 41,914</u>	<u>\$ 252</u>	<u>\$ 783,180</u>

- A. There were no borrowing costs capitalized as part of property, plant and equipment for the three-month and six-month periods ended June 30, 2024 and 2023, 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 46,719	\$ 45,224	\$ 45,694
Buildings	1,661	2,056	2,515
Transportation equipment (Business vehicles)	20,512	20,222	25,774
Office equipment (Photocopiers)	560	799	1,059
	<u>\$ 69,452</u>	<u>\$ 68,301</u>	<u>\$ 75,042</u>
		<u>For the three-month period ended June 30, 2024</u>	<u>For the three-month period ended June 30, 2023</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land		\$ 389	\$ 375
Buildings		249	437
Transportation equipment (Business vehicles)		3,847	3,610
Office equipment (Photocopiers)		140	134
		<u>\$ 4,625</u>	<u>\$ 4,556</u>

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 769	\$ 755
Buildings	491	746
Transportation equipment (Business vehicles)	7,737	7,212
Office equipment (Photocopiers)	276	271
	<u>\$ 9,273</u>	<u>\$ 8,984</u>

D. For the three-month and six-month periods ended June 30, 2024 and 2023, the additions to right-of-use assets were \$5,303, \$9,649, \$8,290 and \$12,647, respectively.

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

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 106	\$ 83
Expense on short-term lease contracts	5,891	5,654
Expense on leases of low-value assets	248	1,716
	<u>For the six-month period ended June 30, 2024</u>	<u>For the six-month period ended June 30, 2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 216	\$ 201
Expense on short-term lease contracts	11,693	11,387
Expense on leases of low-value assets	529	3,351

F. For the three-month and six-month periods ended June 30, 2024 and 2023, the Group's total cash outflow for leases were \$10,495, \$11,755, \$20,966 and \$23,276, 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 and six-month periods ended June 30, 2024 and 2023, the Group recognised rent income in the amounts of \$2,289, \$2,078, \$4,430 and \$4,540, 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:

	June 30, 2024		December 31, 2023		June 30, 2023
2024	\$ 4,146	2024	\$ 8,171	2023	\$ 4,074
2025	8,292	2025	8,171	2024	8,148
2026	8,292	2026	8,171	2025	8,148
2027	8,292	2027	8,171	2026	8,148
After 2028	17,723	After 2028	17,464	After 2027	25,563
Total	<u>\$ 46,745</u>	Total	<u>\$ 50,148</u>	Total	<u>\$ 54,081</u>

(11) Short-term borrowings

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 1,290,000</u>	1.80%~1.87%	None
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 730,000</u>	1.72%~1.83%	None
Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 1,170,000</u>	1.61%~1.94%	None

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

Items	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Financial liabilities held for trading			
Derivative instruments	\$ -	\$ -	\$ 527
Valuation adjustment	159	16,474	286
	<u>\$ 159</u>	<u>\$ 16,474</u>	<u>\$ 813</u>

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

		For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Net gains recognised in profit			
Financial liabilities held for trading			
Derivative instruments		\$ 6	\$ 658
		For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Net gains (losses) recognised in profit			
Financial liabilities held for trading			
Derivative instruments		\$ 16,520	(\$ 159)
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:			
		June 30, 2024	
	Contract amount (Notional principal) (in thousands)	Contract period	
Derivative financial liabilities			
Current items:			
Foreign exchange swap contracts	USD 5,200	2024/6-2024/7	
"	CNY 7,500	2024/6-2024/7	
"	JPY 300,000	2024/6-2024/7	
		December 31, 2023	
	Contract amount (Notional principal) (in thousands)	Contract period	
Derivative financial liabilities			
Current items:			
Foreign exchange swap contracts	USD 17,200	2023/9-2024/5	
"	JPY 299,998	2023/12-2024/1	
		June 30, 2023	
	Contract amount (Notional principal) (in thousands)	Contract period	
Derivative financial liabilities			
Current items:			
Option	USD 6,500	2023/4-2023/8	

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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Salary and bonus payable	\$ 293,794	\$ 344,303	\$ 255,512
Employees' compensation and directors' remuneration	14,043	16,871	6,902
Pension payable	26,583	26,286	26,034
Accrued annual leave	26,937	26,046	22,070
Payable on machinery and equipment	18	237	176
Others	<u>333,560</u>	<u>310,746</u>	<u>306,356</u>
	<u>\$ 694,935</u>	<u>\$ 724,489</u>	<u>\$ 617,050</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2024
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
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	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 September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	284,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	92,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	124,000
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	Land and structures	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	100,000
				1,263,000
Less: Long-term liabilities, current portion				(300,000)
				<u>\$ 963,000</u>

Interest rate range: 1.73%~2.03%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 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
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	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 September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	284,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	92,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	124,000
Unsecured borrowings	Borrowing period is from August 8, 2023 to May 25, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Note 2	90,000
Unsecured borrowings	Borrowing period is from December 4, 2023 to May 25, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Note 2	50,000
Unsecured borrowings	Borrowing period is from December 5, 2023 to May 25, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Note 2	60,000
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	Land and structures	100,000
Unsecured borrowings	Borrowing period is from December 11, 2023 to October 12, 2024; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	100,000
				<u>1,463,000</u>
Less: Long-term liabilities, current portion				(300,000)
				<u>\$ 1,163,000</u>

Interest rate range: 1.61%~1.89%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 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
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	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	Notes 1&3	175,000
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	Notes 1&3	14,000
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	Notes 1&3	72,000
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	Land and structures	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>1,019,000</u>
Less: Long-term liabilities, current portion				(<u>135,000</u>)
				<u><u>\$ 884,000</u></u>

Interest rate range: 1.61%~1.89%

Note 1: 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 June 30, 2024, December 31, 2023 and June 30, 2023, the consolidated financial statements of the Group met the requirements of the financial ratio limits.

Note 2: The borrowings were repaid before June 30, 2024.

Note 3: The borrowings were repaid before December 31, 2023.

(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 \$76, \$100, \$152 and \$205 for the three-month and six-month periods ended June 30, 2024 and 2023, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$0.

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 and six-month periods ended June 30, 2024 and 2023, were \$4,260, \$3,852, \$8,315 and \$7,798, respectively.

(16) Share-based payment (For the year ended December 31, 2023 : None.)

A. For the six-month periods ended June 30, 2024 and 2023, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stock transferred to employees	March 5, 2024	500 thousand shares	-	Vested immediately

B. The weighted-average stock price of stock options at exercise dates as of March 5, 2024 was \$129 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$36,000.

(17) Share capital

A. As of June 30, 2024, 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:

	2024	2023
At January 1	149,263	156,755
Repurchase of treasury shares	(21)	-
Treasury stock transferred to employees	500	-
At June 30	149,742	156,755

B. On November 9, 2023, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 10,000 thousand shares. Aforementioned shares will be reissued to employees. As of June 30, 2024, the accumulated number of shares which are repurchased by the Company is 7,513 thousand shares and 500 thousand shares have been reissued to employees as of March 5, 2024.

C. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows: (June 30, 2023 : None.)

		June 30, 2024	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	7,013	\$ 398,506

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	7,492	\$ 425,511

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

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

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(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:

	2024							
	Share premium	Consolidation premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Total
At January 1	\$ 85,584	\$ 133,672	\$ -	\$ 11,761	\$ 1,776	\$ 41,226	\$ 7	\$ 274,026
Compensation cost	-	-	-	-	-	-	36,000	36,000
Treasury stock transferred	-	-	36,088	-	-	-	(36,000)	88
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	690	-	690
June 30	<u>\$ 85,584</u>	<u>\$ 133,672</u>	<u>\$ 36,088</u>	<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ 41,916</u>	<u>\$ 7</u>	<u>\$ 310,804</u>

	2023							
	Share premium	Consolidation premium		Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Total
At January 1 (Same as June 30)	<u>\$ 85,584</u>	<u>\$ 133,672</u>		<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ 40,893</u>	<u>\$ 7</u>	<u>\$ 273,693</u>

(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 2023 and 2022 earnings had been resolved at the stockholders' meeting on May 21, 2024 and May 23, 2023, respectively. Details are summarized below:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	\$ 49,846		\$ 74,686	
Cash dividends	449,227	\$ 3.0	564,319	\$ 3.6
	<u>\$ 499,073</u>		<u>\$ 639,005</u>	

(20) Other equity items

	2024			
	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	\$ 498,037	(\$ 138,358)	\$530	\$ 360,209
Valuation adjustment	1,178,657	-	-	1,178,657
Disposal transferred out from retained earnings	(48,813)	-	-	(48,813)
Currency translation differences:				
-Group	-	96,993	-	96,993
-Associate	-	5,900	-	5,900
At June 30	<u>\$ 1,627,881</u>	<u>(\$ 35,465)</u>	<u>\$530</u>	<u>\$ 1,592,946</u>

	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	254,238	-	-	254,238
Disposal transferred out from retained earnings	(12,841)	-	-	(12,841)
Currency translation differences:				
-Group	-	(41,403)	-	(41,403)
-Associate	-	(6,628)	-	(6,628)
At June 30	<u>\$ 312,913</u>	<u>(\$ 149,566)</u>	<u>\$530</u>	<u>\$163,877</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 June 30, 2024	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		Total
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	
Timing of revenue recognition											
At a point in time	\$ 581,677	\$ 128,866	\$ 54,431	\$ 1,063	\$ 193,813	\$ 11,063	\$ 262,010	\$ 71,431	\$ 4,777	\$ 149	\$ 1,309,280
Over time	40,052	-	-	-	-	-	-	-	-	-	40,052
Total	<u>\$ 621,729</u>	<u>\$ 128,866</u>	<u>\$ 54,431</u>	<u>\$ 1,063</u>	<u>\$ 193,813</u>	<u>\$ 11,063</u>	<u>\$ 262,010</u>	<u>\$ 71,431</u>	<u>\$ 4,777</u>	<u>\$ 149</u>	<u>\$ 1,349,332</u>

For the three-month period ended June 30, 2023	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		Total
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	
Timing of revenue recognition											
At a point in time	\$ 246,513	\$ 30,973	\$ 41,788	\$ -	\$ 146,941	\$ 698	\$ 188,736	\$ 21,308	\$ 4,954	\$ 14,804	\$ 696,715
Over time	31,967	-	-	-	-	-	-	-	-	-	31,967
Total	<u>\$ 278,480</u>	<u>\$ 30,973</u>	<u>\$ 41,788</u>	<u>\$ -</u>	<u>\$ 146,941</u>	<u>\$ 698</u>	<u>\$ 188,736</u>	<u>\$ 21,308</u>	<u>\$ 4,954</u>	<u>\$ 14,804</u>	<u>\$ 728,682</u>

For the six-month period ended June 30, 2024	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		Total
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	
Timing of revenue recognition											
At a point in time	\$ 1,085,324	\$ 247,267	\$ 73,092	\$ 1,063	\$ 343,137	\$ 11,433	\$ 441,370	\$ 135,227	\$ 11,382	\$ 154	\$ 2,349,449
Over time	79,904	-	-	-	-	-	-	-	-	-	79,904
Total	<u>\$ 1,165,228</u>	<u>\$ 247,267</u>	<u>\$ 73,092</u>	<u>\$ 1,063</u>	<u>\$ 343,137</u>	<u>\$ 11,433</u>	<u>\$ 441,370</u>	<u>\$ 135,227</u>	<u>\$ 11,382</u>	<u>\$ 154</u>	<u>\$ 2,429,353</u>

For the six-month period ended June 30, 2023	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	
Timing of revenue recognition										
At a point in time	\$ 660,759	\$ 130,391	\$ 50,817	\$ 280,334	\$ 1,368	\$ 322,524	\$ 85,066	\$ 11,326	\$ 96,953	\$ 1,639,538
Over time	55,998	-	-	-	-	-	-	-	-	55,998
Total	<u>\$ 716,757</u>	<u>\$ 130,391</u>	<u>\$ 50,817</u>	<u>\$ 280,334</u>	<u>\$ 1,368</u>	<u>\$ 322,524</u>	<u>\$ 85,066</u>	<u>\$ 11,326</u>	<u>\$ 96,953</u>	<u>\$ 1,695,536</u>

B. Contract liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Contract liabilities	\$ <u>431,571</u>	\$ <u>352,454</u>	\$ <u>425,530</u>	\$ <u>669,327</u>

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

	<u>For the three-month period ended June 30, 2024</u>	<u>For the three-month period ended June 30, 2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ <u>203,325</u>	\$ <u>27,056</u>

	<u>For the six-month period ended June 30, 2024</u>	<u>For the six-month period ended June 30, 2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ <u>302,940</u>	\$ <u>402,929</u>

(22) Interest income

	<u>For the three-month period ended June 30, 2024</u>	<u>For the three-month period ended June 30, 2023</u>
Interest income from bank deposits	\$ <u>15,162</u>	\$ <u>7,024</u>
	<u>For the six-month period ended June 30, 2024</u>	<u>For the six-month period ended June 30, 2023</u>
Interest income from bank deposits	\$ <u>24,451</u>	\$ <u>10,715</u>

(23) Other income

	<u>For the three-month period ended June 30, 2024</u>	<u>For the three-month period ended June 30, 2023</u>
Rent income	\$ 2,288	\$ 2,078
Gain recognised in bargain purchase transaction	844	-
Indemnities revenues	-	476
Other income	4,373	2,134
	\$ <u>7,505</u>	\$ <u>4,688</u>

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Rent income	\$ 4,429	\$ 4,540
Gain recognised in bargain purchase transaction	844	-
Indemnities revenues	55	7,107
Other income	9,710	16,200
	<u>\$ 15,038</u>	<u>\$ 27,847</u>

(24) Other gains and losses

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Gains (Losses) on disposal of property, plant and equipment	\$ 427	(\$ 38)
Losses on disposal of intangible assets	-	(742)
Gains on disposal of investments	63	505
Net currency exchange (losses) gains	18,369	3,940
Net gains on financial assets (liabilities) at fair value through profit	(2,326)	8,397
Other losses	(241)	(917)
Total	<u>\$ 16,292</u>	<u>\$ 11,145</u>

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Gains (Losses) on disposal of property, plant and equipment	\$ 89	(\$ 132)
Losses on disposal of intangible assets	-	(742)
Gains on disposal of investments	204	708
Net currency exchange gains (losses)	37,189	(2,719)
Net gains on financial assets (liabilities) at fair value through profit	36,531	10,230
Other losses	(1,652)	(6,616)
	<u>\$ 72,361</u>	<u>\$ 729</u>

(25) Finance costs

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Interest expense :		
Bank loan	\$ 12,220	\$ 8,692
Lease liabilities	106	83
	<u>\$ 12,326</u>	<u>\$ 8,775</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Interest expense :		
Bank loan	\$ 24,027	\$ 14,230
Lease liabilities	216	201
	<u>\$ 24,243</u>	<u>\$ 14,431</u>

(26) Expenses by nature

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Employee benefit expenses	<u>\$ 252,422</u>	<u>\$ 178,664</u>
Depreciation charges on property, plant and equipment, and right-of-use assets	<u>\$ 18,649</u>	<u>\$ 18,343</u>
Amortisation charges	<u>\$ 1,510</u>	<u>\$ 1,406</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Employee benefit expenses	<u>\$ 510,639</u>	<u>\$ 373,067</u>
Depreciation charges on property, plant and equipment, and right-of-use assets	<u>\$ 36,582</u>	<u>\$ 36,857</u>
Amortisation charges	<u>\$ 2,997</u>	<u>\$ 2,920</u>

(27) Employee benefit expenses

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Wages and salaries	\$ 218,848	\$ 151,192
Labour and health insurance fees	16,707	14,963
Pension costs	4,336	3,952
Other personnel expenses	12,531	8,557
	<u>\$ 252,422</u>	<u>\$ 178,664</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Wages and salaries	\$ 447,539	\$ 316,967
Labour and health insurance fees	33,495	30,706
Pension costs	8,467	8,003
Other personnel expenses	21,138	17,391
	<u>\$ 510,639</u>	<u>\$ 373,067</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 and six-month periods ended June 30, 2024 and 2023, employees' compensation was accrued at \$2,110, \$799, \$4,321 and \$2,124, respectively; while directors' remuneration was accrued at \$5,054, \$1,796, \$9,722 and \$4,778, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 2.25% of distributable profit of current year for the six-month period ended June 30, 2024.

Employees' compensation and directors' and supervisors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 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 June 30, 2024	For the three-month period ended June 30, 2023
Current tax:		
Current tax on profits for the period	\$ 58,470	(\$ 6,600)
Tax on undistributed earnings	44	5,393
Prior period income tax overestimation	(5,084)	(2,084)
Total current tax	<u>53,430</u>	<u>(3,291)</u>
Deferred tax:		
Origination and reversal of temporary differences	(11,596)	10,537
Income tax expense	<u>\$ 41,834</u>	<u>\$ 7,246</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Current tax:		
Current tax on profits for the period	\$ 81,731	\$ 13,279
Tax on undistributed earnings	44	5,393
Prior year income tax overestimation	(5,084)	(4,318)
Total current tax	<u>76,691</u>	<u>14,354</u>
Deferred tax:		
Origination and reversal of temporary differences	28,383	(1,157)
Income tax expense	<u>\$ 105,074</u>	<u>\$ 13,197</u>

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

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Currency translation differences	<u>\$ 4,449</u>	<u>(\$ 12,627)</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Currency translation differences	<u>\$ 24,247</u>	<u>(\$ 10,351)</u>

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(29) Earnings per share

For the three-month period ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 187,121	149,742	\$ 1.25
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	28	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 187,121	149,770	\$ 1.25
For the six-month period ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 359,294	149,523	\$ 2.40
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	42	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 359,294	149,565	\$ 2.40

For the three-month period ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 77,010</u>	156,755	<u>\$ 0.49</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>44</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 77,010</u>	<u>156,799</u>	<u>\$ 0.49</u>
For the six-month period ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 207,457</u>	156,755	<u>\$ 1.32</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>101</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 207,457</u>	<u>156,856</u>	<u>\$ 1.32</u>

(30) Business combinations

- A. On May 24, 2024, the Group acquired 70% equity interests of Hong-Teng Corp. in cash amounting to \$7,469, and had obtained the control over the company. Hong-Teng Corp. is primarily engaged in industrial rubber products manufacturing. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.
- B. The following table summarises the consideration paid for Hong-Teng Corp. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

	<u>M&A day</u>
Purchase consideration	
Cash paid	\$ 7,469
Fair value of the non-controlling interest	<u>3,563</u>
	<u>11,032</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	8,825
Accounts receivable	1,169
Inventories	833
Prepayments	21
Property, plant and equipment	1,916
Accounts payable	(316)
Other payables	(231)
Current income tax liabilities	(301)
Other current liabilities	<u>(40)</u>
Total identifiable net assets	<u>11,876</u>
Gain recognised in bargain purchase transaction	<u>\$ 844</u>

- C. Non-controlling interest is measured based on the acquiree's identifiable net assets multiplying the proportion of non- controlling interest. The fair value of the identifiable assets acquired is still under assessment, therefore, it was recognised based on the initial estimate. The related acquisition price will be allocated within one year.
- D. The operating revenue included in the consolidated statement of comprehensive income since June 1, 2024 contributed by Hong-Teng Corp. Company was \$774. Hong-Teng Corp. Company also contributed profit before income tax of \$401 over the same period. Had Hong-Teng Corp. Company been consolidated from January 1, 2024, the consolidated statement of comprehensive income would show operating revenue of \$2,433,355 and profit before income tax of \$483,448.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments :

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Purchase of property, plant and equipment	\$ 224,089	\$ 8,109
Add: Opening balance of payable on equipment	237	41
Less: Ending balance of payable on equipment	(18)	(176)
Cash paid during the period	<u>\$ 224,308</u>	<u>\$ 7,974</u>

(32) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable	Total
January 1, 2024	\$ 730,000	\$ 1,463,000	\$ 2,123	\$ 23,106	\$ -	\$ 2,218,229
Changes in cash flow from financing activities	560,000	(200,000)	-	(8,528)	(449,227)	(97,755)
Interest expense	-	-	-	217	-	217
Paid interest	-	-	-	(217)	-	(217)
Impact of changes in foreign exchange rate	-	-	(439)	155	-	(284)
Changes in other non-cash items	-	-	-	8,006	449,227	457,233
June 30, 2024	<u>\$ 1,290,000</u>	<u>\$ 1,263,000</u>	<u>\$ 1,684</u>	<u>\$ 22,739</u>	<u>\$ -</u>	<u>\$ 2,577,423</u>

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable	Total
January 1, 2023	\$ 695,000	\$ 1,100,000	\$ 2,160	\$ 25,656	\$ -	\$ 1,822,816
Changes in cash flow from financing activities	475,000	(81,000)	-	(8,337)	(564,319)	(178,656)
Interest expense	-	-	-	201	-	201
Paid interest	-	-	-	(201)	-	(201)
Impact of changes in foreign exchange rate	-	-	(49)	(590)	-	(639)
Changes in other non-cash items	-	-	-	12,647	564,319	576,966
June 30, 2023	<u>\$ 1,170,000</u>	<u>\$ 1,019,000</u>	<u>\$ 2,111</u>	<u>\$ 29,376</u>	<u>\$ -</u>	<u>\$ 2,220,487</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
Pin-Zhi Investment Co.,Ltd.	The company's director and the Company's director are within second degree of kinship
Zhen-Sheng Co., Ltd.	The company's director and the Company's director are within second degree of kinship

(2) Significant related party transactions

A. Operating revenue:

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Sales of goods:	<u>\$ 300</u>	<u>\$ -</u>
Associates		
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Sales of goods:	<u>\$ 300</u>	<u>\$ -</u>
Associates		

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

B. Purchases:

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Purchases of goods:	<u>\$ 47,539</u>	<u>\$ 1,600</u>
Associates		
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Purchases of goods:	<u>\$ 53,312</u>	<u>\$ 15,049</u>
Associates		

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

C. Receivables from related parties:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable:			
Associates	<u>\$ 300</u>	<u>\$ 123</u>	<u>\$ 25</u>
Other receivables:			
Gallant Precision Machining Co., Ltd.	53,711	-	80,566
Gallant Micro. Machining Co., Ltd.	<u>11,070</u>	<u>-</u>	<u>11,730</u>
	<u>\$ 64,781</u>	<u>\$ -</u>	<u>\$ 92,296</u>

D. Payables to related parties:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable:			
Associates	<u>\$ 37,450</u>	<u>\$ 7,433</u>	<u>\$ 22,562</u>

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

E. Prepayments:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Gallant Precision Machining Co., Ltd.	<u>\$ -</u>	<u>\$ 10,118</u>	<u>\$ 10,118</u>

F. Property transactions:

(a) Disposal of property, plant and equipment:

	<u>Six-month period ended June 30, 2024</u>		<u>Six-month period ended June 30, 2023</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Associates	<u>\$ 550</u>	<u>\$ 271</u>	<u>\$ -</u>	<u>\$ -</u>

(e) Acquisition of financial assets:

On June 1, 2024, the Group acquired respective 35% equity interests in Hong-Teng Corp. from Pin-Zhi Investment Co.,Ltd. and Zhen-Sheng Co., Ltd. The transaction shares were both 350,000 shares, and the transaction considerations were both \$3,735.

(3) Key management compensation

	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Salaries and other short-term employee benefits	\$ 10,249	\$ 3,677
Post-employment benefits	100	100
	<u>\$ 10,349</u>	<u>\$ 3,777</u>
	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Salaries and other short-term employee benefits	\$ 21,413	\$ 11,793
Post-employment benefits	199	199
	<u>\$ 21,612</u>	<u>\$ 11,992</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	June 30, 2024	December 31, 2023	June 30, 2023	
Property, plant and equipment	<u>\$ 496,123</u>	<u>\$ 502,899</u>	<u>\$ 503,829</u>	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

Other than 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 June 30, 2024, December 31, 2023 and June 30, 2023, were \$98,391, \$97,921 and \$51,543, 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 six-month period ended June 30, 2024, the Group’s strategy was to maintain the gearing ratio within reasonable risk level. The gearing ratios at June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Total borrowings	\$ 2,553,000	\$ 2,193,000	\$ 2,189,000
Less: Cash and cash equivalents	(1,805,938)	(1,432,549)	(1,554,714)
Net debt	747,062	760,451	634,286
Total equity	4,707,300	3,414,579	3,332,428
Total capital	\$ 5,454,362	\$ 4,175,030	\$ 3,966,714
Gearing ratio	13.07%	18.21%	15.99%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 5,219	\$ 5,310	\$ 12,246
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 1,366,612	\$ 809,222	\$ 585,731
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,807,480	\$ 1,432,549	\$ 1,554,714
Financial assets at amortised cost	799,472	692,055	379,338
Notes receivable	54,739	78,841	115,340
Accounts receivable (including related party)	1,614,226	1,667,561	1,810,971
Other receivables (including related party)	104,496	51,578	106,084
Guarantee deposits paid	12,925	17,834	15,284
	\$ 4,393,338	\$ 3,940,418	\$ 3,981,731

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 159	\$ 16,474	\$ 813
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,290,000	\$ 730,000	\$ 1,170,000
Notes payable	9,832	4,489	7,972
Accounts payable (including related party)	958,437	778,649	562,394
Other accounts payable	694,935	724,489	617,050
Long-term borrowings (including current portion)	1,263,000	1,463,000	1,019,000
Guarantee deposits received	1,683	2,123	2,111
	<u>\$ 4,217,887</u>	<u>\$ 3,702,750</u>	<u>\$ 3,378,527</u>
Lease liability (including current portion)	<u>\$ 22,739</u>	<u>\$ 23,106</u>	<u>\$ 29,376</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:

June 30, 2024			
	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	\$ 14,357	32.45	\$ 465,885
JPY:NTD	169,352	0.2017	34,158
RMB:NTD	25,419	4.445	112,987
USD:RMB	3,192	7.1268	22,749
<u>Non-monetary items</u>			
USD:NTD	\$ 2,236	32.450	\$ 72,558
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 56	32.45	\$ 1,817
JPY:NTD	656	0.2017	132
<u>Non-monetary items: None</u>			
December 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	\$ 15,452	30.705	\$ 474,454
JPY:NTD	197,227	0.2172	42,837
RMB:NTD	22,018	4.327	95,272
USD:RMB	5,034	7.0827	35,654
<u>Non-monetary items</u>			
USD:NTD	\$ 2,174	30.705	\$ 66,758
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 22	30.705	\$ 676
JPY:NTD	1,833	0.2172	398
<u>Non-monetary items: None</u>			

June 30, 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	\$ 14,872	31.14	\$	463,114
JPY:NTD	177,815	0.215		38,230
RMB:NTD	74,495	4.282		318,988
USD:RMB	1,859	7.2258		13,433
<u>Non-monetary items</u>				
USD:NTD	\$ 2,182	31.14	\$	67,945
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 38	31.14	\$	1,183
JPY:NTD	11,859	0.215		2,550

Non-monetary items: None

- ii. Total exchange (loss) gain including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2024 and 2023 amounted to \$18,369, \$3,940, \$37,189 and (\$2,719), respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variation

For the six-month period ended June 30, 2024				
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%	\$ 4,659	\$	-
JPY:NTD	1%	342		-
RMB:NTD	1%	1,130		-
USD:RMB	1%	227		-
<u>Non-monetary items</u>				
USD:NTD	1%	\$ -	\$	726
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 18)	\$	-
JPY:NTD	1%	(1)		-

	For the six-month period ended June 30, 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%	\$ 4,631	\$	-
JPY:NTD	1%	382		-
RMB:NTD	1%	3,190		-
USD:RMB	1%	134		-
<u>Non-monetary items</u>				
USD:NTD	1%	\$ -	\$	679
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 12)	\$	-
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 six-month periods ended June 30, 2024 and 2023 would have increased/decreased by \$21 and \$0, 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 \$5,466 and \$2,343, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

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 six-month periods ended June 30, 2024 and 2023, 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 \$3,191 and \$2,736, 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 June 30, 2024, December 31, 2023 and June 30, 2023, 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 June 30, 2024</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 1,572,279	\$ 88,053	\$ 43,814	\$ 269,413	\$ 1,973,559
Loss allowance	(\$ 64,038)	(\$ 31,318)	(\$ 25,589)	(\$ 183,649)	(\$ 304,594)
	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, 2023</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 1,645,973	\$ 157,231	\$ 53,482	\$ 165,742	\$ 2,022,428
Loss allowance	(\$ 84,115)	(\$ 53,513)	(\$ 25,417)	(\$ 112,981)	(\$ 276,026)
	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
<u>At June 30, 2023</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 1,884,321	\$ 103,580	\$ 56,124	\$ 120,504	\$ 2,164,529
Loss allowance	(\$ 94,842)	(\$ 34,040)	(\$ 24,952)	(\$ 84,384)	(\$ 238,218)

- 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:

	2024		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 275,998	\$ 28	\$ 9,231
(Reversal of) provision for impairment	21,650	11	-
Write-offs	(2,913)	-	-
Reclassification	4,326	-	(4,326)
Effect of foreign exchange	5,494	-	365
At June 30	<u>\$ 304,555</u>	<u>\$ 39</u>	<u>\$ 5,270</u>

	2023		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 270,761	\$ 146	\$ 14,579
(Reversal of) provision for impairment	(30,441)	(68)	6,652
Effect of foreign exchange	(2,180)	-	(463)
At June 30	<u>\$ 238,140</u>	<u>\$ 78</u>	<u>\$ 20,768</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:

June 30, 2024				
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 799,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,472</u>
December 31, 2023				
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 692,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,055</u>
June 30, 2023				
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 379,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379,338</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 June 30, 2024, December 31, 2023 and June 30, 2023, the Group held money market position of \$1,805,938, \$1,430,428 and \$1,552,137, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	June 30, 2024	December 31, 2023	June 30, 2023
Fixed rate:			
Expiring within one year	\$ 1,080,000	\$ 1,640,000	\$ 1,200,000
Expiring beyond one year	400,000	200,000	241,000
	<u>\$ 1,480,000</u>	<u>\$ 1,840,000</u>	<u>\$ 1,441,000</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.

June 30, 2024	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	\$ 1,290,000	\$ -	\$ -	\$ -
Notes payable	9,832	-	-	-
Accounts payable (including related party)	958,437	-	-	-
Other payables	694,935	-	-	-
Lease liability (including current portion)	13,423	10,035	-	-
Long-term borrowings (including current portion)	301,720	371,982	645,616	-
Guarantee deposits received	-	-	-	1,684
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	159	-	-	-

December 31, 2023	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	\$ 730,000	\$ -	\$ -	\$ -
Notes payable	4,489	-	-	-
Accounts payable (including related party)	778,649	-	-	-
Other payables	724,489	-	-	-
Lease liability (including current portion)	14,010	9,522	-	-
Long-term borrowings (including current portion)	303,396	578,275	651,207	-
Guarantee deposits received	-	86	1,518	519
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	16,474	-	-	-
June 30, 2023	Less than 1 year	1 and 3 years	Between 3 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 1,170,000	\$ -	\$ -	\$ -
Notes payable	7,972	-	-	-
Accounts payable (including related party)	562,394	-	-	-
Other payables	617,050	-	-	-
Lease liability (including current portion)	16,175	13,835	-	-
Long-term borrowings (including current portion)	140,136	809,253	106,679	-
Guarantee deposits received	-	85	1,509	517
<u>Derivative financial liabilities:</u>				
Option	813	-	-	-

(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 June 30, 2024, December 31, 2023 and June 30, 2023 is as follows:

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

<u>June 30, 2024</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	\$ 5,219	\$ -	\$ -	\$ 5,219
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,259,130</u>	<u>-</u>	<u>107,482</u>	<u>1,366,612</u>
	<u>\$ 1,264,349</u>	<u>\$ -</u>	<u>\$ 107,482</u>	<u>\$ 1,371,831</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 159)</u>	<u>\$ -</u>	<u>(\$ 159)</u>

<u>December 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				
Debt securities	\$ 5,310	\$ -	\$ -	\$ 5,310
Financial assets at fair value through other comprehensive income				
Equity securities	<u>719,827</u>	<u>-</u>	<u>89,395</u>	<u>809,222</u>
	<u>\$ 725,137</u>	<u>\$ -</u>	<u>\$ 89,395</u>	<u>\$ 814,532</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 16,474)</u>	<u>\$ -</u>	<u>(\$ 16,474)</u>
<u>June 30, 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				
Derivative instruments	\$ -	\$ 7,626	\$ -	\$ 7,626
Debt securities	4,620	-	-	4,620
Financial assets at fair value through other comprehensive income				
Equity securities	<u>496,815</u>	<u>-</u>	<u>88,916</u>	<u>585,731</u>
	<u>\$ 501,435</u>	<u>\$ 7,626</u>	<u>\$ 88,916</u>	<u>\$ 597,977</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 813)</u>	<u>\$ -</u>	<u>(\$ 813)</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:

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Convertible bond</u>
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 six-month periods ended June 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.

D. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2024 and 2023:

	2024	2023
At January 1	\$ 89,395	\$ 76,031
Gain recognised in other comprehensive income		
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	17,905	12,835
Effect of exchange rate	182	50
At June 30	<u>\$ 107,482</u>	<u>\$ 88,916</u>

E. For the six-month periods ended June 30, 2024 and 2023, 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 June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	84,998	Market comparable companies	Price to book ratio multiple	0.5~18.65	The higher the multiple, the higher the fair value
				Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares		22,484	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment						
		Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	68,066	Market comparable companies	Price to book ratio multiple	0.44~15.8	The higher the multiple, the higher the fair value
				Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares		21,329	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment						

		Fair value at June 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	75,587	Market comparable companies	Price to book ratio multiple Discount for lack of marketability	0.5~21.14 0.5	The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
Venture capital shares		13,329	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment						

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:

			June 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
	Input	Change	change	change	change	change
Financial assets						
Equity instrument	Price to earnings ratio multiple	± 10%	\$ -	\$ -	\$ 10,748	(\$ 10,748)

		December 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 multiple	± 10%				
			\$ -	\$ -	\$ 8,940	(\$ 8,940)
		June 30, 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 multiple	± 10%				
			\$ -	\$ -	\$ 8,892	(\$ 8,892)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- 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 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(12).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

(2) 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 six-month period ended June 30, 2024</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	\$ 1,485,587	\$ 355,633	\$ 576,597	\$ 11,536	\$ -	\$ 2,429,353
Inter-segment revenue	\$ 104,772	\$ 128,827	\$ 2,244	\$ 1,618	(\$ 237,461)	\$ -
Segment income	\$ 418,048	\$ 55,971	\$ 103,264	\$ 26,650	(\$ 121,992)	\$ 481,941
Total segment assets	\$ 8,567,605	\$ 1,479,116	\$ 1,840,339	\$ 726,546	(\$ 2,707,519)	\$ 9,906,087
 <u>For the six-month period ended June 30, 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	\$ 897,965	\$ 281,702	\$ 407,590	\$ 108,279	\$ -	\$ 1,695,536
Inter-segment revenue	\$ 60,786	\$ 104,425	\$ 2,993	\$ 7,920	(\$ 176,124)	\$ -
Segment income	\$ 205,338	\$ 21,372	\$ 53,461	\$ 15,627	(\$ 62,550)	\$ 233,248
Total segment assets	\$ 6,711,873	\$ 1,527,224	\$ 1,353,846	\$ 593,414	(\$ 2,530,298)	\$ 7,656,059

(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 six-month periods ended June 30, 2024 and 2023 is provided as follows:

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Reportable segments income	\$ 603,933	\$ 295,798
Other	(121,992)	(62,550)
Income before tax from continuing operations	<u>\$ 481,941</u>	<u>\$ 233,248</u>

Table 1

C SUN MFG. LTD. and subsidiaries
Loans to other
For the six-month period ended June 30, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for	Balance at June 30, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
					the six-month period ended June 30, 2024								Item	Value			
1	Power Ever Enterprises Limited	Top Creation Machines Co., Ltd.	Other receivables	Yes	\$ 2,000	\$ 2,000	\$ 500	1.80%	2	\$ -	Operational need	\$ -	-	\$ -	\$ 637,550	\$ 637,550	Note

Note : As prescribed in the subsidiary, Power Ever Enterprises Limited’s “Procedures for Provision of Loans”:

- i. For business relationship, the limit amount for a single party shall not exceed 40% of the net assets value of the Company.
- ii.For short-term financing, limit on loans granted for a single party shall not exceed 40% of the net assets value of the Company.

C SUN MFG. LTD. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
C SUN MFG. LTD.	Fubon Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds	None	Non-current financial assets at amortised cost	-	\$ 100,000	-	\$ 100,000	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19002)	"	"	-	85,083	-	85,083	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19003)	"	"	-	32,400	-	32,400	
"	Group Up Industrial Co., Ltd.	"	Financial assets at fair value through profit or loss - current	21,046	5,219	0.04%	5,219	
"	Ampoc Far-East Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	5,466,000	519,817	4.78%	519,817	
"	Yankey Engineering Co., Ltd.	"	"	68,719	30,305	0.08%	30,305	
"	UTECHZONE CO., LTD.	"	"	596,000	62,281	1.00%	62,281	
"	Test Research Inc.	"	"	3,771,000	646,727	1.60%	646,727	
"	Advance Materials Corporation	"	Financial assets measured at fair value through other comprehensive income - non-current	1,423,770	10,009	1.27%	10,009	
"	Emax Tech Co., Ltd.	Director	"	3,652,554	65,710	10.82%	65,710	
"	Hua Da Venture Capital Corporation	"	"	90,000	1,393	6.00%	1,393	
"	Luminescence Technology Corp.	None	"	454,000	8,467	1.80%	8,467	
"	Aibdt Technology Inc	"	"	1,624,755	812	1.78%	812	
"	InnoFund V	"	"	1,000,000	7,150	2.34%	7,150	
"	Gvt Fund Gp, L.P.	"	"	474,385	10,451	1.59%	10,451	
C Sun (B.V.I) Ltd.	Gvt Fund Gp, L.P.	"	"	158,183	3,490	0.53%	3,490	

Table 2

C SUN MFG. LTD. and subsidiaries

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

For the six-month period ended June 30, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Purchases	\$ 128,852	13.03%	Similary to third parties	Similary to third parties	Similary to third parties	\$ (52,081)	(9.69%)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	(Sales)	(\$ 107,036)	(6.73%)	Similary to third parties	Similary to third parties	Similary to third parties	\$ 46,881	5.78%

Table 3

C SUN MFG. LTD. and subsidiaries
Significant inter-company transactions during the reporting periods
For the six-month period ended June 30, 2024

Table 4

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	\$ 107,036	-	4.41
0	"	"	1	Purchases	128,852	-	5.30
0	"	"	1	Accounts receivable	46,881	-	0.47
0	"	"	1	Accounts payable	52,081	-	0.53

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 six-month period ended June 30, 2024											
Expressed in thousands of NTD (Except as otherwise indicated)											
Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2024			Investment Income (loss) recognized by the Company for the six-month period ended June 30, 2024	Net profit (loss) of the investee for the six-month period ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Virgin Islands	Investment	\$ 376,225	\$ 355,994	-	100.00	\$ 2,490,268	\$ 119,682	\$ 130,866	
"	K Sun (Samoa) Ltd.	Samoa	Investment	75,024	70,990	-	100.00	24,353	496	496	
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment manufacturing	897,223	897,223	44,758,827	27.38	1,790,037	156,006	42,717	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	120,474	120,474	2,214,000	7.83	172,903	203,663	15,952	
"	Viewmove Technologies,Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	38,561	38,561	676,504	20.70	37,975	6,098	1,262	
"	C SUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Thailand	Machinery and equipment sales	96,132	-	11,000	100.00	99,030	1,494	1,494	
"	Hong-Teng Corp.	Taiwan	Industrial rubber products manufacturing	7,469	-	700,000	70.00	8,537	1,526	225	
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	18,821	17,809	580,000	100.00	96,792	2,900	2,900	
"	Power Ever Enterprises Limited	Samoa	Investment	191,780	181,467	-	77.47	1,261,814	77,585	60,108	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	194,700	184,230	6,000,000	100.00	1,507,290	70,618	70,618	
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	100 (	85) (	85)	

Note1: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.

Table 5

C SUN MFG. LTD. and subsidiaries
Information on investments in Mainland China
For the six-month period ended June 30, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2024		Accumulated amount of remittance from Taiwan toMainland China as of June 30, 2024	Net profit (loss) of investee for the six-month period ended June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30,2024 (Note2(2))	Book value of investments in Mainland China as of June 30,2024	Accumulated amount of investment income remitted back to Taiwan as of June 30,2024	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.	\$ 623,365	Reinvested in the Mainland China investee through investing in an existing company (C Sun (B.V.I) Ltd.) in the third area.	\$ 146,217	\$ -	\$ -	\$ 154,527	\$ 55,531	100.00	\$ 55,531	\$ 1,121,725	\$ 899,336	Note 2 (2) (B) 、 Note 6
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	68,762	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint Ltd.) in the third area.	17,809	-	-	18,821	9,619	25.00	2,405	72,554	5,439	Note 2 (2)(B) 、 Note 7
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.	584,100	Reinvested in the Mainland China investee through investing in an existing company (K Sun (Samoa) Ltd.) in the third area.	7,403	-	-	7,824	-	0.89	-	-	-	
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	162,250	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	5,303	-	-	5,604	-	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.	178,475	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	180,760	-	-	191,033	69,087	77.47	53,520	1,146,553	58,671	Note 2 (2) (B) 、 Note 4 、 Note 8
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.	182,245	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	2,061	100.00	2,061	207,607	-	Note 2 (2) (B)
Nantong Chuangfeng Photoelectric Equipment Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	324,500	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	-	-	-	-	1,575	77.47	1,220	360,383	-	Note 2 (2) (B) 、 Note 4 、 Note 5
Company name		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024				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.		\$156,076				\$357,492				\$2,824,380			

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

- (1)Directly invest in a company in Mainland China.
(2)Through investing in an existing company in the third area,which then investeed in the investee in Mainland China.
(3)Others.

Note 2: In the ‘Investment income (loss) recognised by the Company for the six-month period June 30, 2024’ 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.

Note 6: As of June 30, 2024,C SUN MFG. LTD. remitted back the investment income of \$766,496 thousand from the investee company in Mainland china, Csun Technology (Guangzhou) Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 7: As of June 30, 2024,C SUN MFG. LTD. remitted back the investment income of \$5,439 thousand from the investee company in Mainland china, Alpha-CureAsia Co.,Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 8: As of June 30, 2024,C SUN MFG. LTD. remitted back the investment income of \$58,671 thousand from the investee company in Mainland china, SuzhouTop Creation Machines Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

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 six-month period ended June 30, 2024														
Investee in Mainland China	Sale		Purchase		Accounts receivable		Accounts payable		Financing					
	Amount	%	Amount	%	Balance at June 30, 2024	%	Balance at June 30, 2024	Purpose	Maximum balance during the six-month period ended June 30, 2024	Balance at June 30, 2024	Interest rate	Interest during the six-month period ended June 30, 2024	Others	
Csun Technology (Guangzhou) Co., Ltd.	\$ 107,036	6.73%	\$ 128,852	13.03%	\$ 46,881	5.78%	\$ 52,081	9.69%	-	-	-	-	-	

Table 7

C SUN MFG. LTD. and subsidiaries

Information of major shareholders

June 30, 2024

Table 8

Name of major shareholders	Shares	
	Number of shares held	Holding percentage
Gallant Precision Machining Co.,Ltd.	19,957,082	12.73%
Hai-Xing Investment Co.,Ltd.	16,127,743	10.28%
Pin-Zhi Investment Co.,Ltd.	12,300,560	7.84%

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.