

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024
(Stock Code : 2467)

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR25000044

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

Introduction

We have reviewed the accompanying consolidated balance sheets of C SUN MFG. LTD. and subsidiaries as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of \$1,243,270 and \$937,431, constituting 11.18% and 10.25% of the consolidated total assets, and total liabilities of \$33,054 and \$22,252, constituting 0.48% and 0.42% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and total comprehensive income (loss) of \$4,687 and \$7,897, constituting (1.37%) and 1.00% of the consolidated total comprehensive income for the three-month periods then ended, respectively. Furthermore, as described in Note 6(7), investments accounted for using equity method were based on the financial statements of the same reporting period which were not reviewed by independent auditors. The balance of these investments accounted for using the equity method amounted to \$1,976,560 and \$1,783,869 as at March 31, 2025 and 2024, respectively, and the comprehensive (loss) income recognized from associates accounted for using the equity method amounted to (\$429,103) and \$402,992, constituting 125.85% and 50.84% of the consolidated total comprehensive income for the three-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 March 31, 2025 and 2024, and of its consolidated financial performance and cash flows for the three-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi

Wu, Wei-Hao

For and on behalf of PricewaterhouseCoopers, Taiwan

May 6, 2025

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

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,870,282	17	\$ 1,930,703	18	\$ 1,731,216	19
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		11,833	-	14,941	-	12,733	-
1120	Current financial assets at fair	6(3)						
	value through other							
	comprehensive income		1,105,687	10	1,281,657	12	810,980	9
1136	Current financial assets at	6(4)						
	amortised cost, net		45,730	-	-	-	171,388	2
1150	Notes receivable, net	6(5)	125,989	1	102,517	1	85,095	1
1170	Accounts receivable, net	6(5)	1,830,833	17	1,726,738	16	1,721,788	19
1180	Accounts receivable - related	6(5) and 7						
	parties		90	-	90	-	123	-
1200	Other receivables		45,840	-	48,741	-	44,914	-
130X	Inventories	6(6)	1,394,122	13	1,070,557	10	752,133	8
1410	Prepayments	7	100,608	1	64,127	1	56,209	1
1470	Other current assets		8,841	-	11,206	-	6,810	-
11XX	Current Assets		6,539,855	59	6,251,277	58	5,393,389	59
Non-current assets								
1517	Non-current financial assets at	6(3)						
	fair value through other							
	comprehensive income		102,919	1	100,492	1	103,656	1
1535	Non-current financial assets at	6(4)						
	amortised cost, net		646,543	6	639,171	6	579,619	6
1550	Investments accounted for	6(7)						
	under equity method		1,976,560	18	2,425,908	23	1,783,869	20
1600	Property, plant and equipment	6(8) and 8	1,531,946	14	1,059,732	10	982,395	11
1755	Right-of-use assets	6(9)	113,246	1	67,411	1	68,304	1
1780	Intangible assets		47,271	-	48,076	-	51,530	1
1840	Deferred income tax assets		110,486	1	131,040	1	135,077	1
1900	Other non-current assets	6(5)	50,045	-	49,387	-	43,857	-
15XX	Non-current assets		4,579,016	41	4,521,217	42	3,748,307	41
1XXX	Total assets		\$ 11,118,871	100	\$ 10,772,494	100	\$ 9,141,696	100

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11)	\$ 570,000	5	\$ 650,000	6	\$ 960,000	11
2120	Current financial liabilities at fair value through profit or loss	6(12)	-	-	-	-	165	-
2130	Current contract liabilities	6(21)	702,189	6	504,148	5	502,908	6
2150	Notes payable		11,733	-	4,218	-	6,533	-
2170	Accounts payable		1,165,773	11	1,033,516	9	749,717	8
2180	Accounts payable - related parties	7	20,562	-	15,677	-	7,473	-
2200	Other payables	6(13)	1,356,768	12	730,293	7	1,080,261	12
2230	Current income tax liabilities	6(28)	118,360	1	91,411	1	18,110	-
2280	Current lease liabilities	6(9)	13,466	-	12,762	-	12,824	-
2320	Long-term liabilities, current portion	6(14)	-	-	100,000	1	300,000	3
2399	Other current liabilities, others		3,957	-	3,147	-	9,508	-
21XX	Current Liabilities		<u>3,962,808</u>	<u>35</u>	<u>3,145,172</u>	<u>29</u>	<u>3,647,499</u>	<u>40</u>
	Non-current liabilities							
2540	Long-term borrowings	6(14)	2,304,580	21	1,839,000	17	1,163,000	13
2570	Deferred income tax liabilities		552,131	5	526,554	5	497,188	5
2580	Non-current lease liabilities	6(9)	9,897	-	8,609	-	8,837	-
2600	Other non-current liabilities		2,404	-	2,371	-	2,209	-
25XX	Non-current liabilities		<u>2,869,012</u>	<u>26</u>	<u>2,376,534</u>	<u>22</u>	<u>1,671,234</u>	<u>18</u>
2XXX	Total Liabilities		<u>6,831,820</u>	<u>61</u>	<u>5,521,706</u>	<u>51</u>	<u>5,318,733</u>	<u>58</u>
	Equity attributable to owners of parent							
	Share capital	6(17)						
3110	Share capital - common stock		1,567,553	14	1,567,553	15	1,567,553	17
	Capital surplus	6(18)						
3200	Capital surplus		513,688	5	408,334	4	310,460	2
	Retained earnings	6(19)						
3310	Legal reserve		463,150	4	463,150	4	413,304	5
3320	Special reserve		51,901	-	51,901	-	51,901	1
3350	Unappropriated retained earnings		453,281	4	1,072,688	10	620,979	7
	Other equity interest	6(20)						
3400	Other equity interest		1,306,588	12	1,818,107	17	913,721	10
3500	Treasury shares	6(17)	(478,899)	(4)	(524,329)	(5)	(398,506)	(4)
31XX	Equity attributable to owners of the parent		<u>3,877,262</u>	<u>35</u>	<u>4,857,404</u>	<u>45</u>	<u>3,479,412</u>	<u>38</u>
36XX	Non-controlling interest		409,789	4	393,384	4	343,551	4
3XXX	Total equity		<u>4,287,051</u>	<u>39</u>	<u>5,250,788</u>	<u>49</u>	<u>3,822,963</u>	<u>42</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 11,118,871</u>	<u>100</u>	<u>\$ 10,772,494</u>	<u>100</u>	<u>\$ 9,141,696</u>	<u>100</u>

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items		Notes	Three-month periods ended March 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21)	\$ 1,309,089	100	\$ 1,080,021	100
5000	Operating costs	6(6)(26)(27) and 7	(745,882) (57)		(613,415) (57)	
5900	Net operating margin		563,207	43	466,606	43
	Operating expenses	6(26)(27)				
6100	Selling expenses		(156,368) (12)		(125,561) (12)	
6200	General and administrative expenses		(116,824) (9)		(91,933) (8)	
6300	Research and development expenses		(98,815) (7)		(93,488) (9)	
6450	Expected credit losses	12(2)	(10,871) (1)		(680) -	
6000	Total operating expenses		(382,878) (29)		(311,662) (29)	
6900	Operating profit		180,329	14	154,944	14
	Non-operating income and expenses					
7100	Interest income	6(22)	10,591	1	9,289	1
7010	Other income	6(23)	15,886	1	7,533	1
7020	Other gains and losses	6(24)	17,036	1	56,069	5
7050	Finance costs	6(25)	(14,078) (1)		(11,917) (1)	
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	29,952	2	24,941	2
7000	Total non-operating income and expenses		59,387	4	85,915	8
7900	Profit before income tax		239,716	18	240,859	22
7950	Income tax expense	6(28)	(77,765) (6)		(63,240) (6)	
8200	Profit for the period		\$ 161,951	12	\$ 177,619	16

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Three-month periods ended March 31			
			2025		2024	
			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)	(\$ 81,574)	(6)	\$ 145,081	13
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		(463,103)	(35)	374,019	35
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(544,677)	(41)	519,100	48
	Components of other comprehensive income that will be reclassified to profit or loss	6(20)				
8361	Financial statements translation differences of foreign operations		45,767	4	111,719	10
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		4,048	-	4,032	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	(8,056)	(1)	(19,798)	(2)
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		41,759	3	95,953	9
8300	Other comprehensive (loss) income for the period		(\$ 502,918)	(38)	\$ 615,053	57
8500	Total comprehensive (loss) income for the period		(\$ 340,967)	(26)	\$ 792,672	73
	Profit attributable to:					
8610	Owners of the parent		\$ 150,332	11	\$ 172,173	16
8620	Non-controlling interest		11,619	1	5,446	-
	Profit for the period		\$ 161,951	12	\$ 177,619	16
	Comprehensive (loss) income attributable to:					
8710	Owners of the parent		(\$ 358,072)	(27)	\$ 774,498	71
8720	Non-controlling interest		17,105	1	18,174	2
	Total comprehensive (loss) income for the period		(\$ 340,967)	(26)	\$ 792,672	73
	Basic earnings per share	6(29)				
9750	Total basic earnings per share		\$ 1.00		\$ 1.15	
	Diluted earnings per share	6(29)				
9850	Total diluted earnings per share		\$ 1.00		\$ 1.15	

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent													
Retained Earnings							Other equity interest						
							Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other	Treasury shares	Total	Non-controlling interest	Total equity
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings								
<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	-	-	-	-	172,173	-	-	-	-	172,173	5,446	177,619	
Other comprehensive income for the period	6(20)	-	-	-	-	83,225	519,100	-	-	602,325	12,728	615,053	
Total comprehensive income		-	-	-	172,173	83,225	519,100	-	-	774,498	18,174	792,672	
Appropriation of 2023 earnings:	6(19)												
Cash dividends		-	-	-	(447,727)	-	-	-	-	(447,727)	-	(447,727)	
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)	-	346	-	1,780	-	(1,780)	-	-	346	-	346	
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	6(17)	-	88	-	-	-	-	-	28,412	28,500	-	28,500	
Balance at March 31, 2024	<u>\$ 1,567,553</u>	<u>\$ 310,460</u>	<u>\$ 413,304</u>	<u>\$ 51,901</u>	<u>\$ 620,979</u>	<u>(\$ 55,133)</u>	<u>\$ 968,324</u>	<u>\$ 530</u>	<u>(\$ 398,506)</u>	<u>\$ 3,479,412</u>	<u>\$ 343,551</u>	<u>\$ 3,822,963</u>	
<u>2025</u>													
Balance at January 1, 2025	\$ 1,567,553	\$ 408,334	\$ 463,150	\$ 51,901	\$ 1,072,688	(\$ 21,443)	\$ 1,839,020	\$ 530	(\$ 524,329)	\$ 4,857,404	\$ 393,384	\$ 5,250,788	
Profit for the period	-	-	-	-	150,332	-	-	-	-	150,332	11,619	161,951	
Other comprehensive income for the period	6(20)	-	-	-	-	36,273	(544,677)	-	-	(508,404)	5,486	(502,918)	
Total comprehensive income		-	-	-	150,332	36,273	(544,677)	-	-	(358,072)	17,105	(340,967)	
Appropriation of 2024 earnings:	6(19)												
Cash dividends		-	-	-	(751,646)	-	-	-	-	(751,646)	-	(751,646)	
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	3,115	-	(3,115)	-	-	-	-	-	
Changes in equity of associates accounted for using equity method		-	-	-	(21,208)	-	-	-	-	(21,208)	-	(21,208)	
Cash dividends distributed by subsidiaries		-	-	-	-	-	-	-	-	-	(700)	(700)	
Share-based payment arrangements	6(16)	-	76,551	-	-	-	-	-	-	76,551	-	76,551	
Treasury stock transferred to employees	6(17)	-	28,803	-	-	-	-	-	45,430	74,233	-	74,233	
Balance at March 31, 2025	<u>\$ 1,567,553</u>	<u>\$ 513,688</u>	<u>\$ 463,150</u>	<u>\$ 51,901</u>	<u>\$ 453,281</u>	<u>\$ 14,830</u>	<u>\$ 1,291,228</u>	<u>\$ 530</u>	<u>(\$ 478,899)</u>	<u>\$ 3,877,262</u>	<u>\$ 409,789</u>	<u>\$ 4,287,051</u>	

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 239,716	\$ 240,859
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	20,787	17,933
Amortization	6(26)	1,359	1,487
Expected credit impairment loss (gain)	12(2)	10,871	680
Net (gain)loss on financial assets or liabilities at fair value through profit or loss	6(24)	(433)	(38,857)
Interest expense	6(25)	14,078	11,917
Interest income	6(22)	(10,591)	(9,289)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(29,952)	(24,941)
Loss on disposal of property, plant and equipment	6(24)	879	338
Gain on disposals of investments	6(24)	-	(141)
Impairment loss from non-financial assets		343	332
Cost of share-based payments	6(16)	76,551	36,000
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		3,541	15,266
Notes receivable	(	21,878)	(3,390)
Accounts receivable	(	100,078)	(20,956)
Other receivables		6,521	120
Inventories	(	314,098)	(19,780)
Prepayments	(	43,559)	8,928
Other current assets		2,691	1,735
Changes in operating liabilities			
Contract liabilities		192,427	143,774
Notes payable		7,515	2,044
Accounts payable		124,517	(35,142)
Accounts payable-related parties		12,916	(2,133)
Other payables	(	131,141)	(103,533)
Other current liabilities		789	1,702
Cash inflow generated from operations		63,771	224,953
Interest paid	(	13,806)	(12,018)
Income tax paid	(	13,692)	(28,581)
Net cash flows from operating activities		36,273	184,354

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>Three-month periods ended March 31</u>	
		<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 5,049)	(\$ 42,247)
Proceeds from disposal of financial assets at fair value through other comprehensive income		96,993	81,837
Acquisition of financial assets at amortised cost		(45,730)	(39,400)
Acquisition of property, plant and equipment	6(30)	(486,850)	(214,846)
Proceeds from disposal of property, plant and equipment		568	6
Acquisition of intangible assets		(78)	(497)
Refundable deposits refunded		232	(308)
Interest received		6,971	15,833
Acquisition of right-of-use assets		(43,415)	-
Net cash flows used in investing activities		(476,358)	(199,622)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(31)	805,000	880,000
Repayment of short-term borrowings	6(31)	(885,000)	(650,000)
Proceeds from long-term borrowings	6(31)	465,580	-
Repayment of long-term borrowings	6(31)	(100,000)	-
Repayment of principal portion of lease liabilities	6(31)	(4,014)	(4,278)
Cost of repurchase of treasury shares	6(17)	-	(1,407)
Treasury stock transferred to employees		74,233	28,500
Payment of cash dividends		(700)	-
Net cash flows from financing activities		355,099	252,815
Effect of exchange rate		24,565	61,120
Net (decrease) increase in cash and cash equivalents		(60,421)	298,667
Cash and cash equivalents at beginning of period	6(1)	1,930,703	1,432,549
Cash and cash equivalents at end of period	6(1)	<u>\$ 1,870,282</u>	<u>\$ 1,731,216</u>

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

C SUN MFG. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(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 May 6, 2025.

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 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.

(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
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

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
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	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, 2024, 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, 2024.

(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 2024 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	Holding company	100%	100%	100%	Note 5
C SUN MFG. LTD.	K Sun (Samoa) Ltd.	Holding company	100%	100%	100%	Note 5
C SUN MFG. LTD.	CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Manufacturing and Selling	100%	100%	100%	Note 1 Note 5
C SUN MFG. LTD.	Hong-Teng Corp.	Manufacturing and Selling	70%	70%	-	Note 2 Note 5
C SUN MFG. LTD.	Navigation Technology Co., Ltd.	Selling	50%	50%	-	Note 3 Note 5
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 5
C Sun (B.V.I.) Ltd.	Power Ever Enterprises Limited	Selling	77.47%	77.47%	77.47%	Note 5
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Holding company	100%	100%	100%	Note 5
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 5
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines CO., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 5

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
Suzhou Top Creation Machines Co., Ltd.	Suzhou Top Creation Intelligent Machines Co., Ltd.	Manufacturing and Selling	100%	100%	-	Note 4 Note 5
Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chunag Gao Xin Materials Technology Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 5

Note 1: CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD. was established in January 2024.

Note 2: 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.

Note 3: Navigation Technology Co., Ltd. was established in December 2024.

Note 4: Suzhou Top Creation Intelligent Machines Co., Ltd. was established in November 2024.

Note 5: As these subsidiaries did not meet the definition of significant subsidiaries, the financial statements as of March 31, 2025 and 2024 were not reviewed by independent auditors.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

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.

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

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 3,663	\$ 3,893	\$ 3,023
Checking accounts and demand deposits	1,770,324	1,644,857	1,603,821
Time deposits	96,295	281,953	124,372
Total	<u>\$ 1,870,282</u>	<u>\$ 1,930,703</u>	<u>\$ 1,731,216</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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instruments	\$ 10,251	\$ 13,668	\$ 3,030
Derivatives	-	-	-
	10,251	13,668	3,030
Valuation adjustment	1,582	1,273	9,703
	<u>\$ 11,833</u>	<u>\$ 14,941</u>	<u>\$ 12,733</u>

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ -	\$ 15,061
Hybrid instruments	338	360
Derivative instruments	95	7,063
	<u>\$ 433</u>	<u>\$ 22,484</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:

March 31, 2025		
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 3,400	2025/3-2025/4
"	JPY 300,000	2025/3-2025/4
December 31, 2024		
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 3,000	2024/12-2025/2
"	JPY 437,000	2024/12-2025/1
March 31, 2024		
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 7,800	2023/12-2024/6
"	JPY 300,000	2024/3-2024/4

Foreign exchange swap contracts

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

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

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

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Equity instruments			
Listed stocks	\$ 655,466	\$ 744,295	\$ 441,312
Valuation adjustment	450,221	537,362	369,668
	<u>\$ 1,105,687</u>	<u>\$ 1,281,657</u>	<u>\$ 810,980</u>
Non-current items:			
Equity instruments			
Emerging stocks	\$ 25,634	\$ 25,634	\$ 25,634
Unlisted stocks	63,684	63,616	53,489
	89,318	89,250	79,123
Valuation adjustment	13,601	11,242	24,533
	<u>\$ 102,919</u>	<u>\$ 100,492</u>	<u>\$ 103,656</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 \$1,208,606, \$1,382,149 and \$914,636 as at March 31, 2025, December 31, 2024 and March 31, 2024, 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 March 31, 2025	For the three-month period ended March 31, 2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 81,574)	\$ 145,081
Cumulative losses (gains) reclassified to retained earnings due to derecognition	(\$ 3,115)	(\$ 47,033)
Dividend income recognised in profit or loss		
Held at end of period	\$ -	\$ -

- C. As at March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$1,208,606, \$1,382,149 and \$914,636, respectively.
- D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits over three months	\$ 45,730	\$ -	\$ 171,388
Non-current items :			
Time deposits over twelve months	\$ 416,323	\$ 410,474	\$ 395,718
Corporate bonds	230,220	228,697	183,901
	<u>\$ 646,543</u>	<u>\$ 639,171</u>	<u>\$ 579,619</u>

A. As at March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$692,273, \$639,171 and \$751,007, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 126,013	\$ 102,537	\$ 85,111
Less: Allowance for uncollectible accounts	(24)	(20)	(16)
	<u>\$ 125,989</u>	<u>\$ 102,517</u>	<u>\$ 85,095</u>
Accounts receivable	\$ 2,129,035	\$ 2,012,545	\$ 2,003,255
Accounts receivable-related parties	90	90	123
	<u>2,129,125</u>	<u>2,012,635</u>	<u>2,003,378</u>
Less: Allowance for uncollectible accounts	(298,202)	(285,807)	(281,467)
	<u>\$ 1,830,923</u>	<u>\$ 1,726,828</u>	<u>\$ 1,721,911</u>
Overdue receivable (shown as other non-current assets)	\$ 5,283	\$ 5,336	\$ 9,007
Less: Allowance for uncollectible accounts	(5,283)	(5,336)	(9,007)
	<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:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due to 60 days	\$1,773,936	\$ 126,013	\$1,626,516	\$102,537	\$1,623,895	\$85,111
61 to 120 days	95,487	-	74,780	-	69,078	-
121 to 180 days	50,191	-	87,282	-	65,299	-
Over 180 days	209,511	-	224,057	-	245,106	-
	<u>\$2,129,125</u>	<u>\$ 126,013</u>	<u>\$2,012,635</u>	<u>\$102,537</u>	<u>\$2,003,378</u>	<u>\$85,111</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024 the balance of receivables from contracts with customers amounted to \$2,022,428.

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

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$125,989, \$102,517 and \$85,095; \$1,830,923, \$1,726,828 and \$1,721,911, respectively.

E. The Group entered into a factoring agreement with a bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, as of March 31, 2025, December 31, 2024 and March 31, 2024, the Group derecognised the transferred accounts receivable amounting to \$2,927, \$2,866 and \$6,495, respectively.

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

(6) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 229,108	(\$ 67,308)	\$ 161,800
Work in progress	1,120,003	(129,804)	990,199
Finished goods	330,844	(88,721)	242,123
Total	<u>\$ 1,679,955</u>	<u>(\$ 285,833)</u>	<u>\$ 1,394,122</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 191,683	(\$ 67,356)	\$ 124,327
Work in progress	842,952	(116,681)	726,271
Finished goods	312,768	(92,809)	219,959
Total	<u>\$ 1,347,403</u>	<u>(\$ 276,846)</u>	<u>\$ 1,070,557</u>
	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 194,801	(\$ 89,689)	\$ 105,112
Work in progress	549,323	(139,809)	409,514
Finished goods	309,485	(71,978)	237,507
Total	<u>\$ 1,053,609</u>	<u>(\$ 301,476)</u>	<u>\$ 752,133</u>

The cost of inventories recognised as expense for the period:

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Cost of goods sold and others	\$ 738,237	\$ 604,388
Loss on decline in market value	7,711	9,027
Others	(66)	-
Total	<u>\$ 745,882</u>	<u>\$ 613,415</u>

(7) Investments accounted for using equity method

	March 31, 2025	December 31, 2024	March 31, 2024
Associates:			
Gallant Precision Machining Co., Ltd.	\$ 1,696,410	\$ 2,143,875	\$ 1,511,156
Gallant Micro. Machining Co., Ltd.	166,462	175,275	165,097
Alpha-Cure Asia Co., Ltd.	68,962	66,681	70,466
Viewmove Technologies, Inc.	44,726	40,077	37,150
	<u>\$ 1,976,560</u>	<u>\$ 2,425,908</u>	<u>\$ 1,783,869</u>

Associates

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Methods of measurement
		March 31, 2025	December 31, 2024	March 31, 2024		
Gallant Precision Machining Co., Ltd.	Taiwan	27.84%	27.84%	27.38%	Business strategy	Equity method
Gallant Micro. Machining Co., Ltd.	Taiwan	23.99% (Note)	23.82% (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	21.91%	21.01%	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.		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 4,400,043	\$ 4,379,276	\$ 4,353,569
Non-current assets	7,433,405	9,100,641	5,452,188
Current liabilities	(4,035,563)	(4,100,830)	(3,977,815)
Non-current liabilities	(2,123,966)	(1,864,597)	(826,635)
Total net assets	\$ 5,673,919	\$ 7,514,490	\$ 5,001,307
Share in associate's net assets	\$ 1,432,424	\$ 1,879,889	\$ 1,247,022
Goodwill	263,986	263,986	264,134
Carrying amount of the associate	\$ 1,696,410	\$ 2,143,875	\$ 1,511,156

	Gallant Micro. Machining Co., Ltd.		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 2,378,177	\$ 2,356,696	\$ 2,035,232
Non-current assets	1,340,801	1,507,381	1,168,596
Current liabilities	(2,081,260)	(1,663,618)	(1,504,261)
Non-current liabilities	(452,801)	(477,852)	(273,323)
Total net assets	<u>\$ 1,184,917</u>	<u>\$ 1,722,607</u>	<u>\$ 1,426,244</u>
Share in associate's net assets	\$ 121,384	\$ 130,197	\$ 119,210
Goodwill	<u>45,078</u>	<u>45,078</u>	<u>45,887</u>
Carrying amount of the associate	<u>\$ 166,462</u>	<u>\$ 175,275</u>	<u>\$ 165,097</u>

Statement of comprehensive income

	Gallant Precision Machining Co., Ltd.	
	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Revenue	<u>\$ 831,558</u>	<u>\$ 1,022,654</u>
Profit for the period from continuing operations	\$ 88,679	\$ 106,218
Other comprehensive (loss) income, net of tax	(1,671,885)	1,394,996
Total comprehensive (loss) income	<u>(\$ 1,583,206)</u>	<u>\$ 1,501,214</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

	Gallant Micro. Machining Co., Ltd.	
	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Revenue	<u>\$ 430,220</u>	<u>\$ 695,316</u>
Profit for the period from continuing operations	\$ 42,207	\$ 138,913
Other comprehensive (loss) income, net of tax	(165,335)	123,765
Total comprehensive (loss) income	<u>(\$ 123,128)</u>	<u>\$ 262,678</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

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

As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$113,688, \$106,758 and \$107,616, respectively.

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit for the period from continuing operations	\$ 6,033	\$ 1,431
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 6,033</u>	<u>\$ 1,431</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

- D. The Group's material associate Gallant Precision Machining Co., Ltd. has quoted market prices. As of March 31, 2025, December 31, 2024 and March 31, 2024, the fair values were \$3,220,836, \$4,987,822 and \$2,443,832, respectively.
- E. The Group's material associate Gallant Micro. Machining Co., Ltd. has quoted market prices. As of March 31, 2025, December 31, 2024 and March 31, 2024, the fair values were \$891,750, \$1,392,000 and \$851,283, respectively.
- F. The Group is the single largest shareholder of Gallant Precision Machining Co., Ltd. with a 27.84% 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 \$29,952 and \$24,941 for the three-month periods ended March 31, 2025 and 2024, respectively.

(8) Property, plant and equipment

2025

	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	\$ 436,285	\$ 685,492	\$ 113,626	\$ 114,072	\$ 23,835	\$ 162,273	\$ 67,623	\$ 1,603,206
Accumulated depreciation	-	(233,693)	(96,655)	(80,389)	(17,988)	(114,749)	-	(543,474)
	<u>\$ 436,285</u>	<u>\$ 451,799</u>	<u>\$ 16,971</u>	<u>\$ 33,683</u>	<u>\$ 5,847</u>	<u>\$ 47,524</u>	<u>\$ 67,623</u>	<u>\$ 1,059,732</u>
Opening net book amount as at January 1	\$ 436,285	\$ 451,799	\$ 16,971	\$ 33,683	\$ 5,847	\$ 47,524	\$ 67,623	\$ 1,059,732
Additions	440,872	1,880	2,081	2,891	1,481	1,039	36,610	486,854
Disposals	-	-	(5)	(119)	(1,272)	(57)	-	(1,453)
Reclassifications	48,584	1,429	82	5,400	-	-	(55,495)	-
Depreciation charge	-	(5,822)	(782)	(4,459)	(855)	(4,239)	-	(16,157)
Net exchange differences	-	2,032	207	153	67	511	-	2,970
Closing net book amount as at March 31	<u>\$ 925,741</u>	<u>\$ 451,318</u>	<u>\$ 18,554</u>	<u>\$ 37,549</u>	<u>\$ 5,268</u>	<u>\$ 44,778</u>	<u>\$ 48,738</u>	<u>\$ 1,531,946</u>
At March 31								
Cost	\$ 925,741	\$ 692,667	\$ 117,201	\$ 122,102	\$ 22,178	\$ 163,758	\$ 48,738	\$ 2,092,385
Accumulated depreciation	-	(241,349)	(98,647)	(84,553)	(16,910)	(118,980)	-	(560,439)
	<u>\$ 925,741</u>	<u>\$ 451,318</u>	<u>\$ 18,554</u>	<u>\$ 37,549</u>	<u>\$ 5,268</u>	<u>\$ 44,778</u>	<u>\$ 48,738</u>	<u>\$ 1,531,946</u>

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	159	1,328	-	3,696	2,351	214,704
Disposals	-	-	(26)	(5)	-	(313)	-	(344)
Reclassifications (Note)	-	-	-	(3,669)	-	213	(213)	(3,669)
Depreciation charge	-	(5,002)	(551)	(3,722)	(851)	(3,159)	-	(13,285)
Net exchange differences	-	5,708	586	527	283	1,251	-	8,355
Closing net book amount as at March 31	<u>\$ 436,285</u>	<u>\$ 451,620</u>	<u>\$ 15,103</u>	<u>\$ 26,097</u>	<u>\$ 9,030</u>	<u>\$ 41,358</u>	<u>\$ 2,902</u>	<u>\$ 982,395</u>
At March 31								
Cost	\$ 436,285	\$ 739,675	\$ 108,424	\$ 102,859	\$ 26,799	\$ 146,537	\$ 2,902	\$ 1,563,481
Accumulated depreciation	-	(288,055)	(93,321)	(76,762)	(17,769)	(105,179)	-	(581,086)
	<u>\$ 436,285</u>	<u>\$ 451,620</u>	<u>\$ 15,103</u>	<u>\$ 26,097</u>	<u>\$ 9,030</u>	<u>\$ 41,358</u>	<u>\$ 2,902</u>	<u>\$ 982,395</u>

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

- A. There were no borrowing costs capitalized as part of property, plant and equipment for the three-month periods ended March 31, 2025 and 2024, respectively.
- B. The Group's buildings and structures include buildings and improvements, decoration works and hydroelectric engineering which are depreciated over 56 years, 2 to 51 years and 5 to 8 years, respectively.
- C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings, photocopiers, business vehicles. Land contract is typically made for periods of 26 to 50 years and other rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise photocopiers and business vehicles, which were excluded from the right-of-use assets.
- C. The carrying amount of the depreciation charge are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 89,868	\$ 46,016	\$ 46,663
Buildings	1,303	1,642	1,892
Transportation equipment (Business vehicles)	21,933	19,473	19,056
Office equipment (Photocopiers)	142	280	693
	<u>\$ 113,246</u>	<u>\$ 67,411</u>	<u>\$ 68,304</u>

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 609	\$ 380
Buildings	353	242
Transportation equipment (Business vehicles)	3,527	3,890
Office equipment (Photocopiers)	141	136
	<u>\$ 4,630</u>	<u>\$ 4,648</u>

- D. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were \$49,370 and \$2,987, respectively.

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

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 111	\$ 110
Expense on short-term lease contracts	6,555	5,802
Expense on leases of low-value assets	322	281

F. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$11,002 and \$10,471, respectively.

(10) Leasing arrangements – lessor

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

B. For the three-month periods ended March 31, 2025 and 2024, the Group recognised rent income in the amounts of \$3,560 and \$2,141, 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:

	March 31, 2025		December 31, 2024		March 31, 2024
2025	\$ 9,297	2025	\$ 12,195	2024	\$ 6,133
2026	12,395	2026	12,195	2025	8,177
2027	12,395	2027	12,195	2026	8,177
2028	12,395	2028	12,195	2027	8,177
After 2029	17,159	After 2029	16,882	After 2028	17,477
Total	<u>\$ 63,641</u>	Total	<u>\$ 65,662</u>	Total	<u>\$ 48,141</u>

(11) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 570,000</u>	1.90%~1.94%	None
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 650,000</u>	1.80%~1.93%	None
Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 960,000</u>	1.74%~1.86%	None

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

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Financial liabilities held for trading			
Derivative instruments	\$ -	\$ -	\$ 64
Valuation adjustment	-	-	101
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165</u>

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net gains recognised in profit		
Financial liabilities held for trading		
Derivative instruments	<u>\$ -</u>	<u>\$ 16,514</u>

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

(There were no such transactions on March 31, 2025 and December 31, 2024)

	<u>March 31, 2024</u>	
<u>Derivative financial liabilities</u>	<u>Contract amount (Notional principal) (in thousands)</u>	<u>Contract period</u>
Current items:		
Option	USD 800	2024/3-2024/4

Foreign exchange swap contracts

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

(13) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Salary and bonus payable	\$ 180,487	\$ 293,596	\$ 236,993
Employees' compensation and directors' remuneration	34,523	28,193	23,751
Pension payable	27,128	26,939	26,427
Accrued annual leave	27,994	29,754	23,775
Payable on machinery and equipment	97	93	95
Dividend payable	751,646	-	447,727
Others	334,893	351,718	321,493
	<u>\$ 1,356,768</u>	<u>\$ 730,293</u>	<u>\$ 1,080,261</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	\$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	272,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
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 (Note1)	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 (Note1)	124,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2025
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 (Note1)	\$ 92,000
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
Secured borrowings	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	388,580
				2,304,580
Less: Long-term liabilities,current portion				-
				<u>\$ 2,304,580</u>

Interest rate range: 1.73%~2.25%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	\$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from October 12, 2022 to February 6, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None (Note1)	100,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	195,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
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 (Note1)	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 (Note1)	124,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
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 (Note1)	\$ 92,000
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	<u>100,000</u>
				1,939,000
Less: Long-term liabilities,current portion				(<u>100,000</u>)
				<u>\$ 1,839,000</u>

Interest rate range: 1.73%~2.08%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 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 (Note1)	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 (Note1)	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 (Note1)	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	None	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	None	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	None	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
Secured 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 (Note1)	<u>100,000</u>
				1,463,000
Less: Long-term liabilities,current portion				(<u>300,000</u>)
				<u>\$ 1,163,000</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 March 31, 2025, December 31, 2024 and March 31, 2024, the consolidated financial statements of the Group met the requirements of the financial ratio limits.

(15) Pensions

- A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognized pension costs of \$0 and \$76 for the three-month periods ended March 31, 2025 and 2024, respectively.
- (c) There are no expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025.

- 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%. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024, were \$4,585 and \$4,055, respectively.

(16) Share-based payment

- A. For the three-month periods ended March 31, 2025 and 2024, 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	January 6, 2025	355 thousand shares	-	Vested immediately
Treasury stock transferred to employees	February 25, 2025	444 thousand shares	-	Vested immediately
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 January 6, 2025 was \$197.5 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$49,858.
- C. The weighted-average stock price of stock options at exercise dates as of February 25, 2025 was \$181.5 per share. The exercise prices of stock options was \$57 and \$124.6 per share, share-based payment expenses recognized was \$26,693.
- D. 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 March 31, 2025, 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:

	2025	2024
At January 1	149,974	149,263
Repurchase of treasury shares	- (	21)
Treasury stock transferred to employees	799	500
At March 31	150,773	149,742

B. On October 31, 2024, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 1,000 thousand shares. Aforementioned shares will be reissued to employees. As of March 31, 2025, the accumulated number of shares which were repurchased by the Company amounted to 813 thousand shares and no shares have been reissued to employees.

C. 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 March 31, 2025, the accumulated number of shares which are repurchased by the Company is 7,513 thousand shares and 2,334 thousand shares have been reissued to employees.

D. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		March 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	5,982	\$ 478,899

		December 31, 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	6,781	\$ 524,329

		March 31, 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

- (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:

	2025							
	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	\$ 175,534	\$ 11,761	\$ 1,776	\$ -	\$ 7	\$ 408,334
Compensation cost	-	-	-	-	-	-	76,551	76,551
Treasury stock transferred	-	-	105,354	-	-	-	(76,551)	28,803
March 31	<u>\$ 85,584</u>	<u>\$ 133,672</u>	<u>\$ 280,888</u>	<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 513,688</u>

	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	-	-	-	-	-	346	-	346
March 31	<u>\$ 85,584</u>	<u>\$ 133,672</u>	<u>\$ 36,088</u>	<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ 41,572</u>	<u>\$ 7</u>	<u>\$ 310,460</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 2024 earnings had been resolved at the Board of Directors' meeting on February 25, 2025 and the appropriation of 2023 earnings had been resolved at the stockholders' meeting on May 21, 2024. Details are summarized below:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	\$ 72,404		\$ 49,846	
Cash dividends	751,646	\$ 5.0	449,227	\$ 3.0
	<u>\$ 824,050</u>		<u>\$ 499,073</u>	

(20) Other equity items

	2025			
	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	\$ 1,839,020	(\$ 21,443)	\$530	\$ 1,818,107
Valuation adjustment	(544,677)	-	-	(544,677)
Disposal transferred out from retained earnings	(3,115)	-	-	(3,115)
Currency translation differences:				
-Group	-	32,225	-	32,225
-Associate	-	4,048	-	4,048
At March 31	<u>\$ 1,291,228</u>	<u>\$ 14,830</u>	<u>\$530</u>	<u>\$ 1,306,588</u>

	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	519,100	-	-	519,100
Disposal transferred out from retained earnings	(48,813)	-	-	(48,813)
Currency translation differences:				
-Group	-	79,193	-	79,193
-Associate	-	4,032	-	4,032
At March 31	<u>\$ 968,324</u>	<u>(\$ 55,133)</u>	<u>\$530</u>	<u>\$913,721</u>

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

For the three-month period ended	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		Total
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	
March 31, 2025											
Timing of revenue recognition											
At a point in time	\$ 578,510	(\$ 11,220)	\$ 67,490	\$ -	\$ 148,247	\$ 11,083	\$ 61,058	\$ 347,944	\$ 41,485	\$ 406	\$ 1,245,003
Over time	64,086	-	-	-	-	-	-	-	-	-	64,086
Total	<u>\$ 642,596</u>	<u>(\$ 11,220)</u>	<u>\$ 67,490</u>	<u>\$ -</u>	<u>\$ 148,247</u>	<u>\$ 11,083</u>	<u>\$ 61,058</u>	<u>\$ 347,944</u>	<u>\$ 41,485</u>	<u>\$ 406</u>	<u>\$ 1,309,089</u>
For the three-month period ended	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		Total
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	
March 31, 2024											
Timing of revenue recognition											
At a point in time	\$ 503,647	\$ 118,401	\$ 18,661	\$ -	\$ 149,324	\$ 370	\$ 179,360	\$ 63,796	\$ 6,605	\$ 5	\$ 1,040,169
Over time	39,852	-	-	-	-	-	-	-	-	-	39,852
Total	<u>\$ 543,499</u>	<u>\$ 118,401</u>	<u>\$ 18,661</u>	<u>\$ -</u>	<u>\$ 149,324</u>	<u>\$ 370</u>	<u>\$ 179,360</u>	<u>\$ 63,796</u>	<u>\$ 6,605</u>	<u>\$ 5</u>	<u>\$ 1,080,021</u>

B. Contract liabilities

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	\$ <u>702,189</u>	\$ <u>504,148</u>	\$ <u>502,908</u>	\$ <u>352,454</u>

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ <u>145,485</u>	\$ <u>99,615</u>

(22) Interest income

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Interest income from bank deposits	\$ <u>10,591</u>	\$ <u>9,289</u>

(23) Other income

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Rent income	\$ 3,560	\$ 2,141
Indemnities revenues	168	55
Other income	<u>12,158</u>	<u>5,337</u>
	\$ <u>15,886</u>	\$ <u>7,533</u>

(24) Other gains and losses

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net currency exchange gains	\$ 18,071	\$ 18,820
Losses on disposal of property, plant and equipment	(879)	(338)
Gains on disposal of investments	-	141
Net gains on financial assets (liabilities) at fair value through profit	433	38,857
Other losses	(589)	(1,411)
	\$ <u>17,036</u>	\$ <u>56,069</u>

(25) Finance costs

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Interest expense :		
Bank loan	\$ 13,967	\$ 11,807
Lease liabilities	111	110
	<u>\$ 14,078</u>	<u>\$ 11,917</u>

(26) Expenses by nature

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Employee benefit expenses	<u>\$ 301,799</u>	<u>\$ 258,217</u>
Depreciation charges on property, plant and equipment, and right-of-use assets	<u>\$ 20,787</u>	<u>\$ 17,933</u>
Amortisation charges	<u>\$ 1,359</u>	<u>\$ 1,487</u>

(27) Employee benefit expenses

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Wages and salaries	\$ 266,510	\$ 228,691
Labour and health insurance fees	19,821	16,788
Pension costs	4,585	4,131
Other personnel expenses	10,883	8,607
	<u>\$ 301,799</u>	<u>\$ 258,217</u>

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

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

B. For the three-month periods ended March 31, 2025 and 2024, employees' compensation was accrued at \$1,948 and \$2,211, respectively; while directors' remuneration was accrued at \$4,382 and \$4,668, 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 three-month period ended March 31, 2025.

Employees' compensation and directors' and supervisors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Current tax:		
Current tax on profits for the period	\$ 36,690	\$ 23,261
Total current tax	<u>36,690</u>	<u>23,261</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>38,075</u>	<u>39,979</u>
Income tax expense	<u>\$ 74,765</u>	<u>\$ 63,240</u>

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

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Currency translation differences	<u>\$ 8,056</u>	<u>\$ 19,798</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 March 31, 2025			
	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>\$ 150,332</u>	150,332	<u>\$ 1.00</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>42</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 150,332</u>	<u>150,374</u>	<u>\$ 1.00</u>
For the three-month period ended March 31, 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	<u>\$ 172,173</u>	149,305	<u>\$ 1.15</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>78</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 172,173</u>	<u>149,383</u>	<u>\$ 1.15</u>

(30) Supplemental cash flow information

A. Investing activities with partial cash payments :

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Purchase of property, plant and equipment	\$ 486,854	\$ 214,704
Add: Opening balance of payable on equipment	93	237
Less: Ending balance of payable on equipment	(97)	(95)
Cash paid during the period	<u>\$ 486,850</u>	<u>\$ 214,846</u>

B. Financing activities with no cash flow effects :

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Cash dividend declared	<u>\$ 751,646</u>	<u>\$ 447,727</u>

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable	Total
January 1, 2025	\$ 650,000	\$ 1,939,000	\$ 2,371	\$ 21,371	\$ -	\$ 2,612,742
Changes in cash flow from financing activities	(80,000)	365,580	-	(4,014)	-	281,566
Interest expense	-	-	-	111	-	111
Paid interest	-	-	-	(111)	-	(111)
Impact of changes in foreign exchange rate	-	-	33	51	-	84
Changes in other non-cash items	-	-	-	5,955	-	5,955
Distributable dividends	-	-	-	-	751,646	751,646
March 31, 2025	<u>\$ 570,000</u>	<u>\$ 2,304,580</u>	<u>\$ 2,404</u>	<u>\$ 23,363</u>	<u>\$ 751,646</u>	<u>\$ 3,651,993</u>

	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	230,000	-	-	(4,278)	-	225,722
Interest expense	-	-	-	110	-	110
Paid interest	-	-	-	(110)	-	(110)
Impact of changes in foreign exchange rate	-	-	86	(154)	-	(68)
Changes in other non-cash items	-	-	-	2,987	-	2,987
Distributable dividends	-	-	-	-	447,727	447,727
March 31, 2024	<u>\$ 960,000</u>	<u>\$ 1,463,000</u>	<u>\$ 2,209</u>	<u>\$ 21,661</u>	<u>\$ 447,727</u>	<u>\$ 2,894,597</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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Alpha-Cure Asia Co.,Ltd.	Associate
Gallant Precision Machining Co., Ltd.	Associate
Gallant Micro. Machining Co., Ltd.	Associate
Viewmove Technologies,Inc.	Associate
Gallant Precisions INDUSTRIES(Suzhou) Co., Ltd.	Associate

(2) Significant related party transactions

A. Purchases:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Purchases of goods:		
Associates	<u>\$ 11,091</u>	<u>\$ 5,773</u>

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

B. Receivables from related parties:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable:			
Associates	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$ 123</u>

C. Payables to related parties:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable:			
Associates	<u>\$ 20,562</u>	<u>\$ 15,677</u>	<u>\$ 7,473</u>

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

D. Prepayments:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Gallant Precision Machining Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,118</u>

(3) Key management compensation

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Salaries and other short-term employee benefits	<u>\$ 12,508</u>	<u>\$ 11,164</u>
Post-employment benefits	<u>100</u>	<u>99</u>
	<u>\$ 12,608</u>	<u>\$ 11,263</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Property, plant and equipment	\$ 1,232,883	\$ 744,436	\$ 499,498	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 March 31, 2025, December 31, 2024 and March 31, 2024, were \$58,303, \$100,725 and \$103,527, respectively.

(2) Commitments

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

During the three-month period ended March 31, 2025, the Group's strategy was to maintain the gearing ratio within reasonable risk level. The gearing ratios at March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total borrowings	\$ 2,874,580	\$ 2,589,000	\$ 2,423,000
Less: Cash and cash equivalents	(1,870,282)	(1,930,703)	(1,731,216)
Net debt	1,004,298	658,297	691,784
Total equity	4,287,051	5,250,788	3,822,963
Total capital	\$ 5,291,349	\$ 5,909,085	\$ 4,514,747
Gearing ratio	18.98%	11.14%	15.32%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 11,833	\$ 14,941	\$ 12,733
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 1,208,606	\$ 1,382,149	\$ 914,636
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,870,282	\$ 1,930,703	\$ 1,731,216
Financial assets at amortised cost	692,273	639,171	751,007
Notes receivable	125,989	102,517	85,095
Accounts receivable (including related party)	1,830,923	1,726,828	1,721,911
Other receivables	45,840	48,741	44,914
Guarantee deposits paid	10,449	10,615	18,390
	\$ 4,575,756	\$ 4,458,575	\$ 4,352,533

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ -	\$ -	\$ 165
Financial liabilities at amortised cost			
Short-term borrowings	\$ 570,000	\$ 650,000	\$ 960,000
Notes payable	11,733	4,218	6,533
Accounts payable (including related party)	1,186,335	1,049,193	757,190
Other accounts payable	1,356,768	730,293	1,080,261
Long-term borrowings (including current portion)	2,304,580	1,939,000	1,463,000
Guarantee deposits received	2,404	2,371	2,209
	<u>\$ 5,431,820</u>	<u>\$ 4,375,075</u>	<u>\$ 4,269,193</u>
Lease liability (including current portion)	<u>\$ 23,363</u>	<u>\$ 21,371</u>	<u>\$ 21,661</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

March 31, 2025			
	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	\$ 12,487	33.205	\$ 414,631
JPY:NTD	193,511	0.2227	43,095
RMB:NTD	20,262	4.573	92,658
USD:RMB	10,686	7.1782	76,706
<u>Non-monetary items</u>			
USD:NTD	\$ 2,077	33.205	\$ 68,962
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 87	33.205	\$ 2,889
JPY:NTD	19,590	0.2230	4,369
<u>Non-monetary items: None</u>			
December 31, 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	\$ 13,758	32.785	\$ 451,056
JPY:NTD	129,550	0.2099	27,193
RMB:NTD	21,830	4.478	97,755
USD:RMB	3,871	7.1884	27,826
<u>Non-monetary items</u>			
USD:NTD	\$ 2,034	32.785	\$ 66,681
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 18	32.785	\$ 590
JPY:NTD	466	0.2099	98
<u>Non-monetary items: None</u>			

March 31, 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	\$ 14,229	32.000	\$ 455,328
JPY:NTD	167,864	0.2115	35,503
RMB:NTD	30,257	4.408	133,373
USD:RMB	2,612	7.0950	18,532
<u>Non-monetary items</u>			
USD:NTD	\$ 2,202	32.000	\$ 70,466
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 45	32.000	\$ 1,440
JPY:NTD	2,980	0.2115	630
<u>Non-monetary items: None</u>			

- ii. Total exchange (loss) gain including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$18,071 and \$18,820, respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variation

For the three-month period ended March 31, 2025			
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%	\$ 4,146	\$ -
JPY:NTD	1%	\$ 431	-
RMB:NTD	1%	\$ 927	-
USD:RMB	1%	\$ 767	-
<u>Non-monetary items</u>			
USD:NTD	1%	\$ -	\$ 690
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 29)	\$ -
JPY:NTD	1%	(\$ 44)	-

For the three-month period ended March 31, 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%	\$ 4,553	\$	-
JPY:NTD	1%	355		-
RMB:NTD	1%	1,334		-
USD:RMB	1%	185		-
<u>Non-monetary items</u>				
USD:NTD	1%	\$ -	\$	705
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 14)	\$	-
JPY:NTD	1%	(\$ 6)		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$0 and \$14, 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 \$2,417 and \$1,829, 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 three-month periods ended March 31, 2025

and 2024, the Group's borrowings at variable rate were denominated in New Taiwan dollars, if the market interest rate had increased by 0.25%, the Company's cash outflow would have increased by \$1,797 and \$1,514, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group measured actual transaction status. If the contract payments were past based on the term, the default has occurred.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix is as follows:

	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
<u>At March 31, 2025</u>					
Expected loss rate	0%~18%	2%~35%	4%~64%	10%~100%	
Total book value	\$ 1,899,949	\$ 95,487	\$ 50,191	\$ 209,511	\$ 2,255,138
Loss allowance	(\$ 75,923)	(\$ 37,052)	(\$ 26,046)	(\$ 159,205)	(\$ 298,226)

	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, 2024</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 1,729,053	\$ 74,780	\$ 87,282	\$ 224,057	\$ 2,115,172
Loss allowance	(\$ 64,645)	(\$ 21,085)	(\$ 39,250)	(\$ 160,847)	(\$ 285,827)
	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
<u>At March 31, 2024</u>					
Expected loss rate	0%~30%	2%~42%	4%~55%	10%~100%	
Total book value	\$ 1,709,006	\$ 69,078	\$ 65,299	\$ 245,106	\$ 2,088,489
Loss allowance	(\$ 77,863)	(\$ 19,378)	(\$ 31,926)	(\$ 152,316)	(\$ 281,483)

- 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:

	2025		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 285,807	\$ 20	\$ 5,336
Provision for impairment	10,867	4	-
Write-offs	(185)	-	-
Reclassification	129	-	(129)
Effect of foreign exchange	1,584	-	76
At March 31	<u>\$ 298,202</u>	<u>\$ 24</u>	<u>\$ 5,283</u>
	2024		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 275,998	\$ 28	\$ 9,231
(Reversal of) provision for impairment	692	(12)	-
Write-offs	(141)	-	-
Reclassification	544	-	(544)
Effect of foreign exchange	4,374	-	320
At March 31	<u>\$ 281,467</u>	<u>\$ 16</u>	<u>\$ 9,007</u>

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

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

March 31, 2025				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 692,273	\$ -	\$ -	\$ 692,273
December 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 639,171	\$ -	\$ -	\$ 639,171
March 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 751,007	\$ -	\$ -	\$ 751,007

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at March 31, 2025, December 31, 2024 and March 31, 2024, the Group held money market position of \$1,866,619, \$1,926,810 and \$1,728,193, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	March 31, 2025	December 31, 2024	March 31, 2024
Fixed rate:			
Expiring within one year	\$ 1,930,000	\$ 1,750,000	\$ 1,410,000
Expiring beyond one year	49,000	326,000	200,000
	<u>\$ 1,979,000</u>	<u>\$ 2,076,000</u>	<u>\$ 1,610,000</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.

March 31, 2025	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	\$ 570,000	\$ -	\$ -	\$ -
Notes payable	11,733	-	-	-
Accounts payable (including related party)	1,186,335	-	-	-
Other payables	1,356,768	-	-	-
Lease liability (including current portion)	13,713	10,005	-	-
Long-term borrowings (including current portion)	45,198	1,489,868	910,550	-
Guarantee deposits received	-	-	1,619	785

December 31, 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	\$ 650,000	\$ -	\$ -	\$ -
Notes payable	4,218	-	-	-
Accounts payable (including related party)	1,049,193	-	-	-
Other payables	730,293	-	-	-
Lease liability (including current portion)	13,133	8,796	-	-
Long-term borrowings (including current portion)	134,889	1,399,071	507,802	-
Guarantee deposits received	-	-	-	2,371

March 31, 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	\$ 960,000	\$ -	\$ -	\$ -
Notes payable	6,533	-	-	-
Accounts payable (including related party)	757,190	-	-	-
Other payables	1,080,261	-	-	-
Lease liability (including current portion)	13,287	9,050	-	-
Long-term borrowings (including current portion)	302,002	575,632	647,881	-
Guarantee deposits received	-	-	1,669	540
<u>Derivative financial liabilities:</u>				
Foreign exchange swap contracts	165	-	-	-

(3) Fair value information

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

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

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

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

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2025, December 31, 2024 and March 31, 2024 is as follows:

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

<u>March 31, 2025</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	\$ 10,302	\$ -	\$ -	\$ 10,302
Derivative instrument	-	1,531	-	1,531
Financial assets at fair value through other comprehensive income				
Equity securities	1,123,823	-	84,783	1,208,606
	<u>\$ 1,134,125</u>	<u>\$ 1,531</u>	<u>\$ 84,783</u>	<u>\$ 1,220,439</u>
<u>December 31, 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	\$ 13,505	\$ -	\$ -	\$ 13,505
Derivative instrument	-	1,436	-	1,436
Financial assets at fair value through other comprehensive income				
Equity securities	1,300,809	-	81,340	1,382,149
	<u>\$ 1,314,314</u>	<u>\$ 1,436</u>	<u>\$ 81,340</u>	<u>\$ 1,397,090</u>
<u>March 31, 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				
Debt securities	\$ 5,670	\$ -	\$ -	\$ 5,670
Derivative instrument	-	7,063	-	7,063
Financial assets at fair value through other comprehensive income				
Equity securities	810,980	-	103,656	914,636
	<u>\$ 816,650</u>	<u>\$ 7,063</u>	<u>\$ 103,656</u>	<u>\$ 927,369</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	(\$ 165)	\$ -	(\$ 165)

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

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

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

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

C. For the three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

D. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2025 and 2024:

	2025	2024
At January 1	\$ 81,340	\$ 89,395
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	3,398	14,127
Effect of exchange rate	45	134
At March 31	<u>\$ 84,783</u>	<u>\$ 103,656</u>

E. The transaction volume of Advance Materials Corporation and Luminescence Technology Corp. in the market has steadily increased from December 2024, and there is insufficient observable market information available, the Group has transferred the fair value from Level 3 into Level 1 at the end of the month when the event occurred.

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

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

	Fair value at March 31, 2025		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	53,620	Market comparable companies	Price to book ratio multiple	0.36~14.52	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		31,163	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment						
	Fair value at December 31, 2024		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	50,575	Market comparable companies	Price to book ratio multiple	0.42~13.66	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		30,765	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment						

		Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	\$	81,779	Market comparable companies	Price to book ratio multiple	0.36~18.65	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		21,877	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:

		March 31, 2025				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets	Input	Change				
Equity instrument	Price to earnings ratio multiple	± 10%	\$ -	\$ -	\$ 8,478	(\$ 8,478)

			December 31, 2024			
			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%	\$ -	\$ -	\$ 8,134	(\$ 8,134)
			March 31, 2024			
			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%	\$ -	\$ -	\$ 10,366	(\$ 10,366)

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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting period: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 4.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 5.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. Segment Information

(1) General information

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

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

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

<u>For the three-month period ended March 31, 2025</u>	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	\$ 698,866	\$ 159,330	\$ 409,002	\$ 41,891	\$ -	\$ 1,309,089
Inter-segment revenue	\$ 34,032	\$ 66,757	\$ 31,421	\$ 10,212	(\$ 142,422)	\$ -
Segment income	\$ 188,446	(\$ 6,976)	\$ 73,434	\$ 19,301	(\$ 34,489)	\$ 239,716
Total segment assets	\$ 9,311,468	\$ 1,540,236	\$ 2,408,663	\$ 747,902	(\$ 2,889,398)	\$ 11,118,871
<u>For the three-month period ended March 31, 2024</u>	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	\$ 680,561	\$ 149,694	\$ 243,156	\$ 6,610	\$ -	\$ 1,080,021
Inter-segment revenue	\$ 51,178	\$ 61,438	\$ 1,091	\$ 1,047	(\$ 114,754)	\$ -
Segment income	\$ 200,627	\$ 33,150	\$ 37,291	\$ 22,973	(\$ 53,182)	\$ 240,859
Total segment assets	\$ 7,981,625	\$ 1,532,918	\$ 1,675,764	\$ 688,605	(\$ 2,737,216)	\$ 9,141,696

(3) Reconciliation for segment income (loss)

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

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the three-month periods ended March 31, 2025 and 2024 is provided as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Reportable segments income	\$ 274,205	\$ 294,041
Other	(34,489)	(53,182)
Income before tax from continuing operations	<u>\$ 239,716</u>	<u>\$ 240,859</u>

C SUN MFG. LTD. and subsidiaries
Loans to other
For the three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for the	Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason term financing	Allowance	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
					three-month period ended March 31, 2025							for doubtful accounts	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	\$ -	-	\$ -	\$ 703,848	\$ 703,848	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)

March 31, 2025

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 March 31, 2025				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)	"	"	-	87,065	-	87,065	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19003)	"	"	-	33,155	-	33,155	
"	E.sun Commercial Bank, Ltd. The Third Unsecured General-sequential Financial Bonds With A Term Of 3 Years At 2024	"	"	-	10,000	-	10,000	
"	Flexium Interconnect, Inc. The Sixth Domestic Unsecured Conversion Of Corporate Bonds	"	Financial assets at fair value through profit or loss - current	-	10,302	-	10,302	
"	Ampoc Far-East Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	5,466,000	490,847	4.78%	490,847	
"	Yankey Engineering Co., Ltd.	"	"	82,462	32,201	0.08%	32,201	
"	UTECHZONE CO., LTD.	"	"	596,000	57,633	1.00%	57,633	
"	Test Research Inc.	"	"	3,835,000	419,933	1.62%	419,933	
"	Good Will Instrument Co., Ltd.	"	"	2,348,000	105,073	1.62%	105,073	
"	Advance Materials Corporation	"	Financial assets measured at fair value through other comprehensive income - non-current	1,423,770	9,084	1.27%	9,084	
"	Luminescence Technology Corp.	"	"	454,000	9,052	1.80%	9,052	
"	Emax Tech Co., Ltd.	Director	"	3,652,554	53,035	10.82%	53,035	
"	Aibdt Technology Inc	None	"	1,624,755	585	1.78%	585	
"	Hua Da Venture Capital Corporation	Director	"	90,000	1,160	6.00%	1,160	
"	InnoFund V	None	"	1,000,000	8,630	2.34%	8,630	
"	Dunpin No.1 Innovation Investment Co., Ltd.	Director	"	1,000,000	7,370	2.65%	7,370	
"	Gvt Fund Gp, L.P.	None	"	474,385	10,536	0.52%	10,536	
C Sun (B.V.I) Ltd.	Gvt Fund Gp, L.P.	"	"	158,183	3,467	0.17%	3,467	

Table 2

C SUN MFG. LTD. and subsidiaries
Significant inter-company transactions during the reporting periods
For the three-month period ended March 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms (Note 3)	Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount		
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	1	Sales	\$ 33,690	-	2.57
0	"	"	1	Purchases	66,556	-	5.08
0	"	"	1	Accounts receivable	15,866	-	0.14
0	"	"	1	Accounts payable	53,655	-	0.48

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

(1) Number 0 represents the Company

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

Note 2: The transaction relationships with the counterparties are as follows (If transactions of parent company with subsidiaries or transaction in subsidiaries refer to the same transaction, it will not be disclosed twice, for example; If parent company discloses a transaction with a subsidiary, then subsidiary will not disclose that transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company

(3) The consolidated subsidiary to another consolidated subsidiary.

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

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

Note 5: The information only discloses the amount of transactions that are more than \$10,000 and counterparties shall not be disclosed.

C SUN MFG. LTD. and subsidiaries

Information on investees

For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment Income (loss) recognized by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at March 31, 2024	Number of shares	Ownership (%)	Book value			
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Virgin Islands	Investment	\$ 384,979	\$ 380,109	-	100.00	\$ 2,695,174	\$ 34,578	\$ 32,826	
"	K Sun (Samoa) Ltd.	Samoa	Investment	76,770	75,799	-	100.00	25,684	191	191	
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	896,722	896,722	44,733,827	27.84	1,696,410	72,945	20,370	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	118,352	118,352	2,175,000	7.76	166,462	45,841	3,549	
"	Viewmove Technologies,Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	38,561	38,561	676,504	21.91	44,726	21,511	4,713	
"	C SUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Thailand	Machinery and equipment sales	96,132	96,132	10,000	100.00	101,524 (	947) (	947)	
"	Hong-Teng Corp.	Taiwan	Industrial rubber products manufacturing	7,469	7,469	700,000	70.00	8,464	1,093	765	
"	Navigation Technology Co., Ltd.	Taiwan	Business agent for various equipment, chemicals, and consumables in the semiconductor industry chain.	10,000	10,000	1,000,000	50.00	9,788 (	426) (	213)	
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	19,259	19,015	580,000	100.00	94,492	1,500	1,500	
"	Power Ever Enterprises Limited	Samoa	Machinery and equipment sales	196,242	193,759	-	77.47	1,390,852	51,071	39,567	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	199,230	196,710	6,000,000	100.00	1,682,997	35,451	35,451	
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines Co., Ltd.	Taiwan	Machinery installation and wholesales, Equipment retail and electronic materials wholesale	7,500	7,500	750,000	100.00	1,431	374	374	

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

C SUN MFG. LTD. and subsidiaries
Information on investments in Mainland China
For the three-month period ended March 31, 2025

Table 5

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, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan toMainland China as of March 31, 2025	Net profit (loss) of investee for the three-month period ended March 31,2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025 (Note2(2))	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	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.	\$ 637,868	Reinvested in the Mainland China investee through investing in an existing company (C Sun (B.V.I) Ltd.) in the third area.	\$ 156,122	\$ -	\$ -	\$ 158,122	(\$ 6,976)	100.00	(\$ 6,976)	\$ 1,181,810	\$ 899,336	Note 2 (2) (B) 、 Note 6
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	70,361	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint Ltd.) in the third area.	19,015	-	-	19,259	5,278	25.00	1,320	68,962	13,609	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.	597,690	Reinvested in the Mainland China investee through investing in an existing company (K Sun (Samoa) Ltd.) in the third area.	7,905	-	-	8,006	-	0.89	-	-	-	
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	166,025	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	5,662	-	-	5,735	-	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.	182,628	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	193,005	-	-	195,478	35,150	77.47	27,231	1,315,448	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.	187,493	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	1,274	100.00	1,274	213,873	-	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.	332,050	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	-	-	-	-	341	77.47	264	367,304	-	Note 2 (2) (B) 、 Note 4 、 Note 5
Suzhou Top Creation Intelligent Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	205,785	Invested the investee through the company (Suzhou Top Creation Machines Co., Ltd.) in the Mainland China.	-	-	-	- (	3,293)	77.47	(2,551)	204,688	-	Note 2 (2) (B)
Company name		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025				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.		\$156,198				\$386,600			\$2,572,231				

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 three-month period ended March 31, 2025’ 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 obtained the equity interest of Suzhou Top Creation Machines Co., Ltd. and Nantong Chuangfeng Photoelectric Equipment Co.,Ltd. through investing in an existing company in the third area,which then invested in Suzhou Top Creation Machines Co., Ltd. and Nantong Chuangfeng Photoelectric Equipment 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 March 31, 2025,C SUN MFG. LTD. remitted back the investment income of \$899,336 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 March 31, 2025,C SUN MFG. LTD. remitted back the investment income of \$13,609 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 March 31, 2025,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.

C SUN MFG. LTD. and subsidiaries

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

For the three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
	Amount	%	Amount	%	Balance at March 31, 2025	%	Balance at March 31, 2025	Purpose	Maximum balance during the three-month period ended March 31, 2025	Balance at March 31, 2025	Interest rate	Interest during the three-month period ended March 31, 2025	Others
Csun Technology (Guangzhou) Co., Ltd.	\$ 33,690	4.60%	\$ 66,556	16.48%	\$ 15,866	2.11%	\$ 53,655	8.07%	-	-	-	-	-

Table 6