C SUN MFG. LTD.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS'

REPORT

DECEMBER 31, 2021 AND 2020

(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.

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 21000392

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

Opinion

We have audited the accompanying parent company only balance sheets of C SUN MFG. LTD. as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of C SUN MFG. LTD. as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of C SUN MFG. LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F:+ 886 (2) 2729 6686, www.pwc.tw

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of C SUN MFG. LTD.'s 2021 the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for C SUN MFG. LTD.'s 2021 the parent company only financial statements of the current period are stated as follows:

Revenue recognition

Description

Refer to Notes 4(29) and 6(19) of the parent company only financial statements for accounting policies on revenue recognition and the description of significant accounts – operating revenue, respectively.

C SUN MFG. LTD. is primarily engaged in the manufacture and sale of related manufacturing equipment of printed circuit board and flat panel display. Main revenue recognition is based on customers' confirmation for acceptance. Since the timing of the transfer of risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the parent company only financial statements. Thus, revenue recognition has been identified as a key audit matter.

How our audit addressed the matter

Our audit procedures performed included the following:

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

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Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing C SUN MFG. LTD. financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

LI, TIEN-YI　　Tsai-Yen, Chiang

Li, Tien-Yi　　Chiang, Tsai-yen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 2, 2022

The accompanying parent company only 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 parent company only 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 218,938	4	$ 513,963	9
1110	Financial assets at fair value through profit or loss - current	6(2)	58,383	1	55,878	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	316,216	5	1,555	-
1150	Notes receivable, net	6(4)	5,297	-	3,750	-
1170	Accounts receivable, net	6(4)	868,828	14	992,286	18
1180	Accounts receivable - related parties	6(4) and 7	82,984	1	39,563	1
1200	Other receivables		2,313	-	-	-
1210	Other receivables - related parties	7	14,574	-	7,725	-
130X	Inventories	6(5)	511,992	9	549,992	10
1410	Prepayments		33,090	1	38,600	-
1470	Other current assets		7,431	-	7,493	-
11XX	**Current Assets**		2,120,046	35	2,210,805	39
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	109,887	2	102,018	2
1535	Non-current financial assets at amortised cost		18,224	-	-	-
1550	Investments accounted for under equity method	6(6)	3,139,953	52	2,679,882	48
1600	Property, plant and equipment	6(7) and 8	558,486	9	467,424	9
1755	Right-of-use assets	6(8)	19,382	-	6,054	-
1780	Intangible assets		3,378	-	6,024	-
1840	Deferred income tax assets	6(25)	115,308	2	119,396	2
1900	Other non-current assets		18,672	-	11,862	-
15XX	**Non-current assets**		3,983,290	65	3,392,660	61
1XXX	**Total assets**		$ 6,103,336	100	$ 5,603,465	100

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C SUN MFG. LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 694,981	11	$ 570,600	10
2120	Financial liabilities at fair value through profit or loss - current	6(10)	3,399	-	166	-
2130	Current contract liabilities	6(19) and 7	125,076	2	289,944	5
2150	Notes payable		40,504	1	67,224	1
2170	Accounts payable	6(11)	539,746	9	587,262	11
2180	Accounts payable - related parties	7	97,616	2	81,905	2
2200	Other payables	6(12)	452,647	7	355,481	6
2230	Current income tax liabilities		46,508	1	37,551	1
2280	Current lease liabilities		8,908	-	3,231	-
2320	Long-term liabilities, current portion	6(13)	105,250	2	300,000	5
2399	Other current liabilities, others		16,464	-	14,768	-
21XX	**Current Liabilities**		2,131,099	35	2,308,132	41
	Non-current liabilities					
2540	Long-term borrowings	6(13)	739,750	12	432,000	8
2570	Deferred income tax liabilities	6(25)	371,089	6	330,960	6
2580	Non-current lease liabilities		10,502	-	2,868	-
2600	Other non-current liabilities	6(14)	22,599	1	19,840	-
25XX	**Non-current liabilities**		1,143,940	19	785,668	14
2XXX	**Total Liabilities**		3,275,039	54	3,093,800	55
	Equity					
	Share capital	6(15)				
3110	Share capital - common stock		1,521,897	25	1,492,055	27
	Capital surplus	6(16)				
3200	Capital surplus		243,751	3	232,800	4
	Retained earnings	6(17)				
3310	Legal reserve		273,986	5	227,431	4
3320	Special reserve		105,878	2	51,901	1
3350	Unappropriated retained earnings		754,285	12	611,356	11
	Other equity interest	6(18)				
3400	Other equity interest		(29,523)	-	(105,878)	(2)
3500	Treasury shares	6(15)	(41,977)	(1)	-	-
3XXX	**Total equity**		2,828,297	46	2,509,665	45
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 6,103,336	100	$ 5,603,465	100

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

C SUN MFG. LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31 2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
4000	Sales revenue	6(19) and 7	$ 3,381,533	100	$ 2,497,069	100
5000	Operating costs	6(5)(23)(24) and 7	(2,331,872)	(69)	(1,601,472)	(64)
5900	Net operating margin		1,049,661	31	895,597	36
5910	Unrealized profit from sales		(42,562)	(1)	(14,905)	(1)
5920	Realized profit from sales		16,722	-	14,489	1
5950	Net operating margin		1,023,821	30	895,181	36
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(308,829)	(9)	(264,895)	(11)
6200	General and administrative expenses		(235,296)	(7)	(110,780)	(4)
6300	Research and development expenses		(194,874)	(6)	(182,814)	(7)
6450	Expected credit losses	12(2)	19,465	1	(88,905)	(4)
6000	Total operating expenses		(719,534)	(21)	(647,394)	(26)
6900	Operating profit		304,287	9	247,787	10
	Non-operating income and expenses					
7100	Interest income		2,438	-	906	-
7010	Other income	6(20) and 7	31,054	1	46,922	2
7020	Other gains and losses	6(21)	6,792	-	(23,156)	(1)
7050	Finance costs	6(22)	(16,478)	-	(16,709)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	422,103	12	261,030	11
7000	Total non-operating income and expenses		445,909	13	268,993	11
7900	**Profit before income tax**		750,196	22	516,780	21
7950	Income tax expense	6(25)	(89,902)	(3)	(78,014)	(3)
8200	**Profit for the year**		$ 660,294	19	$ 438,766	18

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C SUN MFG. LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31 2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss	6(18)				
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(14)	($ 11,585)	-	($ 4,444)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	70,213	2	(99,201)	(4)
8330	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		26,892	1	9,715	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		85,520	3	(93,930)	(4)
	Components of other comprehensive income that will be reclassified to profit or loss	6(18)				
8380	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		3,725	-	29,627	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(25)	(883)	-	(4,345)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		2,842	-	25,282	1
8300	**Other comprehensive income (loss) for the year**		$ 88,362	3	($ 68,648)	(3)
8500	**Total comprehensive income for the year**		$ 748,656	22	$ 370,118	15
	Basic earnings per share	6(26)				
9750	Total basic earnings per share		$	4.35	$	2.88
	Diluted earnings per share	6(26)				
9850	Total diluted earnings per share		$	4.34	$	2.88

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

C SUN MFG. LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest				
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other	Treasury shares	Total equity
2020											
Balance at January 1, 2020		$1,492,055	$ 232,800	$ 200,300	$ 51,901	$ 545,951	($ 160,813)	$ 149,836	$ 530	$ -	$2,512,560
Profit for the year		-	-	-	-	438,766	-	-	-	-	438,766
Other comprehensive (loss) income	6(18)	-	-	-	-	(4,444)	25,282	(89,486)	-	-	(68,648)
Total comprehensive (loss) income		-	-	-	-	434,322	25,282	(89,486)	-	-	370,118
Distribution of 2019 earnings:	6(17)										
Legal reserve		-	-	27,131	-	(27,131)	-	-	-	-	-
Cash dividends		-	-	-	-	(373,013)	-	-	-	-	(373,013)
Disposal of equity instruments at fair value through other comprehesive income	6(18)	-	-	-	-	31,227	-	(31,227)	-	-	-
Balance at December 31, 2020		$1,492,055	$ 232,800	$ 227,431	$ 51,901	$ 611,356	($ 135,531)	$ 29,123	$ 530	$ -	$2,509,665
2021											
Balance at January 1, 2021		$1,492,055	$ 232,800	$ 227,431	$ 51,901	$ 611,356	($ 135,531)	$ 29,123	$ 530	$ -	$2,509,665
Profit for the year		-	-	-	-	660,294	-	-	-	-	660,294
Other comprehensive (loss) income	6(18)	-	-	-	-	(11,045)	2,842	96,565	-	-	88,362
Total comprehensive income		-	-	-	-	649,249	2,842	96,565	-	-	748,656
Distribution of 2020 earnings:	6(17)										
Legal reserve		-	-	46,555	-	(46,555)	-	-	-	-	-
Special reserve		-	-	-	53,977	(53,977)	-	-	-	-	-
Cash dividends		-	-	-	-	(373,014)	-	-	-	-	(373,014)
Stock dividends		29,842	-	-	-	(29,842)	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehesive income	6(18)	-	-	-	-	23,052	-	(23,052)	-	-	-
Changes in equity of associates accounted for using equity method	6(16)	-	10,951	-	-	(25,984)	-	-	-	-	(15,033)
Purchase of treasury share	6(15)	-	-	-	-	-	-	-	-	(41,977)	(41,977)
Balance at December 31, 2021		$1,521,897	$ 243,751	$ 273,986	$ 105,878	$ 754,285	($ 132,689)	$ 102,636	$ 530	($ 41,977)	$2,828,297

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

C SUN MFG. LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 750,196	$ 516,780
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(23)	33,580	32,645
Amortization	6(23)	4,868	5,546
Expected credit impairment loss	12(2)	(19,465)	88,905
Net gain on financial assets or liabilities at fair value through profit or loss	6(21)	1,147	(8,185)
Gain on disposal of investment	6(21)	(4,917)	(10,351)
Interest expense	6(22)	16,478	16,709
Interest income		(2,438)	(906)
Dividend income	6(20)	(16,097)	(12,507)
Profit on investments accounted for under the equity method	6(6)	(422,103)	(261,030)
Property, plant and equipment transferred to expenses		242	100
Unrealized profits from sales		42,562	14,905
Realized profits from sales		(16,722)	(14,489)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	(19,638)
Sales of financial assets at fair value through profit or loss		4,498	-
Notes receivable		(1,561)	15,265
Accounts receivable		142,937	569,577
Accounts receivable-related parties		(43,421)	9,698
Other receivables		(2,313)	-
Other receivables-related parties		(6,849)	-
Inventories		38,000	(197,326)
Prepayments		5,510	(28,350)
Other current assets		62	(1,434)
Changes in operating liabilities			
Current contract liabilities		(164,868)	243,820
Notes payable		(26,720)	6,964
Accounts payable		(47,516)	163,131
Accounts payable - related parties		15,711	1,435
Other payables		93,485	(30,697)
Pension liabilities		(8,826)	(8,776)
Other current liabilities		1,696	(1,966)
Cash inflow generated from operations		367,156	1,089,825
Income tax paid		(37,611)	(49,038)
Dividend received		16,097	12,507
Interest paid		(12,390)	(17,824)
Net cash flows from operating activities		333,252	1,035,470

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C SUN MFG. LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 301,547)	($ 23,015)
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,984	19,774
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		8,685	15,714
Acquisition of financial assets at amortised cost		(18,224)	-
Increase in investment accounted for under the equity method		(130,630)	(139,087)
Dividend received from investment accounted for under the equity method		114,782	258,315
Proceeds from distributing the acquisition of liquidation of subsidiaries		6,185	-
Acquisition of property, plant and equipment	6(27)	(119,310)	(10,749)
Refundable deposits (paid) refunded		(6,382)	2,302
Acquisition of intangible assets		(534)	(1,917)
Other receivables-related parties		-	(4,505)
Increase in other non-current assets		(1,500)	(7,322)
Interest received		2,438	906
Net cash flows (used in) from investing activities		(444,053)	110,416
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		5,543,031	-
Repayment of short-term borrowings		(5,418,650)	(377,360)
Increase in long-term borrowings		1,186,000	842,000
Repayment of long-term borrowings		(1,073,000)	(960,000)
Payment of cash dividends	6(17)	(373,014)	(373,013)
Repayment of principal portion of lease liabilities	6(28)	(6,614)	(3,821)
Payments to acquire treasury shares	6(15)	(41,977)	-
Net cash flows used in financing activities		(184,224)	(872,194)
Net (decrease) increase in cash and cash equivalents		(295,025)	273,692
Cash and cash equivalents at beginning of year	6(1)	513,963	240,271
Cash and cash equivalents at end of year	6(1)	$ 218,938	$ 513,963

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

C SUN MFG. LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. History and Organization

C SUN MFG. LTD., Ltd. (the “Company”) was incorporated on April, 1978. The Company is engaged in electron, 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.

On 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

The Parent Company Only financial statements were authorized for issuance by the Board of Directors on March 2, 2022.

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”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1,2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘ Interest Rate Benchmark Reform— Phase 2’	January 1,2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note：Earlier application from January 1, 2021 is allowed by FSC.

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1,2023
Amendments to IFRS 17, 'Insurance contracts'	January 1,2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1,2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1,2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1,2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1,2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1,2023

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only 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 recognized 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

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

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

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

(4) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(5) Cash equivalents

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) Financial assets at amortised cost

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

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

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

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

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

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

(9) Accounts and notes receivable

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

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor)－operating leases

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

(13) Inventories

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

(14) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquistion movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.

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

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

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

G. When changes in an associate’s equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Company’s ownership percentage of the associate, the Company recognizes the Company’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

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

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

J. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit and other comprehensive income in the parent company only financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the parent company only financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(15) Property, plant and equipment

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

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

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

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

Buildings and structures	2 ~ 56 years
Machinery and equipment	3 ~ 11 years
Transportation equipment	4 ~ 11 years
Utility equipment	2 ~ 8 years
Other equipment	2 ~ 16 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

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

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

(17) Intangible assets

Computer software

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

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Notes and accounts payable

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

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

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

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

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

(22) Derecognition of financial liabilities

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

(23) Non-hedging derivatives

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

(24) Provisions

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

(25) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

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

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

C. Termination benefits

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

D. Employees' compensation and directors' and supervisors' remuneration

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

(26) Income tax

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

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

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

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

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

(27) Share capital

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

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

(28) Dividends

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

(29) Revenue recognition

A. Sales revenue

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

B. Sales of services

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 1,936	$ 2,097
Checking accounts and demand deposits	217,002	378,114
Time deposits	-	133,752
	$ 218,938	$ 513,963

A. The Company 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 Company has no cash and cash equivalents pledged to others.

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

	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 55,583	$ 55,583
Derivatives	-	705
	55,583	56,288
Valuation adjustment	2,800	(410)
	$ 58,383	$ 55,878

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

	Year ended December 31, 2021	Year ended December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 3,210	$ 220
Derivatives	(705)	-
	$ 2,505	$ 220

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:(There were no such transactions on December 31,2020)

	December 31, 2021		
Derivative financial instruments	Contract amount (notional principal)		Contract period
Current items:			
Forward foreign exchange contracts	CNY	10,000	2020/12-2021/2
Forward foreign exchange contracts	USD	1,000	2020/12-2021/3

Foreign exchange swap contracts

The Company entered into forward foreign exchange 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 forward foreign exchange contracts are not accounted for under hedge accounting.

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

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

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

Items	December 31, 2021	December 31, 2020
Current items:		
Equity instruments		
Listed stocks	$ 291,756	$ 1,272
Valuation adjustment	24,460	283
Total	$ 316,216	$ 1,555
Non-current items:		
Equity instruments		
Emerging stocks	25,634	27,228
Unlisted stocks	41,965	55,487
	67,599	82,715
Valuation adjustment	42,288	19,303
Total	$ 109,887	$ 102,018

A. The Company has elected to classify equity investments 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 $426,103 and $103,573 as at December 31, 2021 and 2020, respectively.

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

	Year ended December 31, 2021	Year ended December 31, 2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 70,213	($ 99,201)
Cumulative losses reclassified to retained earnings due to derecognition	($ 23,052)	($ 31,227)

C. As at December 31, 2021 and 2020, 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 fair value through other comprehensive income held by the Company were $426,103 and $103,573, respectively.

D. The shares of Gallant Precision Machining Co., Ltd. held by the Group were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company increased its shareholdings in Gallant Precision Machining Co., Ltd. to 20.15% on March 30, 2020, and the Company obtained the significant influence over it.

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

(4) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 5, 334	$ 3, 773
Less: Allowance for uncollectible accounts	(37)	(23)
	$ 5, 297	$ 3, 750
Accounts receivable	$ 1, 039, 925	$ 1, 182, 426
Accounts receivable - related parties	82, 984	39, 563
Less: Allowance for uncollectible accounts	(171, 097)	(190, 140)
	$ 951, 812	$ 1, 031, 849
Overdue receivables(shown as other non-current assets)	$ 3, 165	$ 11, 105
Less: Allowance for uncollectible accounts	(3, 165)	(11, 105)
	$ -	$ -

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

	December 31, 2021		December 31, 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due to 60 days	$ 1,044,946	$ 5,320	$ 1,121,770	$ 3,773
61 to 120 days	-	14	61,522	-
121 to 180 days	480	-	1,298	-
Over 180 days	77,483	-	37,399	-
	$ 1,122,909	$ 5,334	$ 1,221,989	$ 3,773

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to $1,804,241.

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

D. As at December 31, 2021 and 2020, 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 Company’s notes were $5,297 and $3,750, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Company’s accounts receivable were $951,812 and $1,031,849, respectively.

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

(5) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 135,473	($ 68,178)	$ 67,295
Work in progress	336,888	(76,872)	260,016
Finished goods	192,233	(38,572)	153,661
Inventory in transit	31,020	-	31,020
	$ 695,614	($ 183,622)	$ 511,992

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 114,715	($ 83,258)	$ 31,457
Work in progress	375,654	(80,028)	295,626
Finished goods	277,010	(62,240)	214,770
Inventory in transit	8,139	-	8,139
	$ 775,518	($ 225,526)	$ 549,992

The cost of inventories recognized as expense for the year:

	Year ended December 31, 2021	Year ended December 31, 2020
Cost of goods sold	$ 2,366,105	$ 1,730,682
Gain on reversal of decline in market value	(41,904)	(190,785)
Loss on physical inventory	7,671	61,575
	$ 2,331,872	$ 1,601,472

For the years ended December 31, 2021 and 2020,the Company reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of sold inventory.

(6) Investments accounted for using equity method

	December 31, 2021	December 31, 2020
Subsidiaries:		
C Sun (B.V.I) Ltd.	$ 2,038,167	$ 1,791,478
K Sun (B.V.I) Ltd.	16,602	16,627
Wat Sun. Intelligent Technology Co., Ltd.	50,149	45,230
Abcon Technology Inc.	-	6,206
Associates:		
Gallant Precision Machining Co., Ltd.	901,999	734,188
Gallant Micro. Machining Co., Ltd.	92,375	86,153
Viewmove Technologies, Inc.	40,661	-
	$ 3,139,953	$ 2,679,882

A. Subsidiaries

Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2021 for the information regarding the Company's subsidiaries.

B. Associates

(a) The fair value of the Company's material associates with quoted market prices is as follows:

	December 31, 2021	December 31, 2020
Gallant Precision Machining Co., Ltd.	$1,500,429	$1,654,658
Gallant Micro. Machining Co., Ltd.	193,884	106,908
	$ 1,694,313	$ 1,761,566

(b) The shares of Gallant Precision Machining Co., Ltd. held by the Company were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company cumulatively increased its shareholdings in Gallant Precision Machining Co., Ltd. on March 30, 2020, and the Company obtained the significant influence over it.

(c) The Company is the single largest shareholder of Gallant Precision Machining Co., Ltd. with a 27.12% equity interest. Given that the key management of the Company and Gallant Precision Machining Co., Ltd. is not the same and the remaining shares are widely held, which indicates that the Company has no current ability to direct the relevant activities of Gallant Precision Machining Co., Ltd., the Company has no control, but only has significant influence, over the investee.

(d) On October 31, 2020 the shares of Gallant Micro. Machining Co., Ltd. held by the Company were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company's comprehensive shareholding ratio was 20.1%, of which 6.41% of Gallant Micro. Machining Co., Ltd.'s shares was directly held by the Company and 13.69% was indirectly held through the associate.

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

(f) The gain on investments accounted for under equity method amounted to $422,103 and $261,030 for the years ended December 31, 2021 and 2020, respectively.

(7) Property, plant and equipment

	2021							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 174,128	$ 382,360	$ 20,053	$ 56,207	$ 6,282	$ 18,894	$ 3,309	$ 661,233
Accumulated depreciation and impairment	-	(119,818)	(16,195)	(37,018)	(6,244)	(14,534)	-	(193,809)
	$ 174,128	$ 262,542	$ 3,858	$ 19,189	$ 38	$ 4,360	$ 3,309	$ 467,424
Opening net book amount as at January 1	$ 174,128	$ 262,542	$ 3,858	$ 19,189	$ 38	$ 4,360	$ 3,309	$ 467,424
Additions	72,960	27,276	269	5,030	2,205	717	10,446	118,903
Reclassifications(Note)	-	-	-	280	-	-	(1,138)	(858)
Depreciation charge	-	(14,410)	(1,458)	(8,176)	(318)	(2,621)	-	(26,983)
Closing net book amount as at December 31	$ 247,088	$ 275,408	$ 2,669	$ 16,323	$ 1,925	$ 2,456	$ 12,617	$ 558,486
At December 31								
Cost	$ 247,088	$ 409,636	$ 20,322	$ 61,517	$ 8,487	$ 19,611	$ 12,617	$ 779,278
Accumulated depreciation and impairment	-	(134,228)	(17,653)	(45,194)	(6,562)	(17,155)	-	(220,792)
	$ 247,088	$ 275,408	$ 2,669	$ 16,323	$ 1,925	$ 2,456	$ 12,617	$ 558,486

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

	2020							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 174,128	$ 367,105	$ 19,797	$ 42,619	$ 6,969	$ 18,779	$ 24,147	$ 653,544
Accumulated depreciation and impairment	-	(104,985)	(14,823)	(29,114)	(6,424)	(12,090)	-	(167,436)
	$ 174,128	$ 262,120	$ 4,974	$ 13,505	$ 545	$ 6,689	$ 24,147	$ 486,108
Opening net book amount as at January 1	$ 174,128	$ 262,120	$ 4,974	$ 13,505	$ 545	$ 6,689	$ 24,147	$ 486,108
Additions	-	2,917	256	4,924	-	628	2,360	11,085
Reclassifications(Note)	-	12,386	-	9,855	-	-	(23,198)	(957)
Depreciation charge	-	(14,881)	(1,372)	(9,095)	(507)	(2,957)	-	(28,812)
Closing net book amount as at December 31	$ 174,128	$ 262,542	$ 3,858	$ 19,189	$ 38	$ 4,360	$ 3,309	$ 467,424
At December 31								
Cost	$ 174,128	$ 382,360	$ 20,053	$ 56,207	$ 6,282	$ 18,894	$ 3,309	$ 661,233
Accumulated depreciation and impairment	-	(119,818)	(16,195)	(37,018)	(6,244)	(14,534)	-	(193,809)
	$ 174,128	$ 262,542	$ 3,858	$ 19,189	$ 38	$ 4,360	$ 3,309	$ 467,424

Note:It refers to construction in progress and prepayment for equipment transferred to buildings and structures amounting to $12,386, office equipment amounting to $9,855, intangible assets amounting to $857, and office equipment transferred to expense amounting to $100.

A. There were no borrowing costs capitalized as part of property, plant and equipment for the years ended December 31, 2021 and 2020.

B. The Company’s buildings and structures include buildings and improvements, decoration works and hydroelectric engineering which are depreciated over 56 years, 3 to 10 years and 4 to 11 years, respectively.

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

(8) Leasing arrangements－lessee

A. The Company leases various assets including business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 4 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 business vehicles, Low-value assets comprise business vehicles, which were excluded from the right-of-use assets.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021		December 31, 2020	
	Carrying amount		Carrying amount	
Transportation equipment (Business vehicles)	$	19,382	$	5,916
Office equipment (Photocopiers)		-		138
	$	19,382	$	6,054

	Year ended December 31, 2021		Year ended December 31, 2020	
	Depreciation charge		Depreciation charge	
Transportation equipment (Business vehicles)	$	6,459	$	3,279
Office equipment (Photocopiers)		138		554
	$	6,597	$	3,833

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were $19,925 and $6,809, respectively.

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

	Year ended December 31, 2021		Year ended December 31, 2020	
Items affecting profit or loss				
Interest expense on lease liabilities	$	179	$	72
Expense on short-term lease contracts		1,211		1,049
Expense on leases of low-value assets		-		301

F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were $8,004 and $5,316, respectively.

(9) Short-term borrowings

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

Type of borrowings	December 31, 2020		Interest rate range	Collateral
Unsecured Banking Loan	$	570,600	0.61%～0.95%	None

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

Items	December 31, 2021		December 31, 2020	
Current items:				
Financial liabilities held for trading				
Derivative instruments	$	3,399	$	166

A. Amounts recognized in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss are as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Financial liabilities held for trading		
Derivatives	$ 1,265	($ 7,965)

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

	December 31, 2021		December 31, 2020	
Derivative financial	Contract amount (Notional principal)	Contract period	Contract amount (Notional principal)	Contract period
Current items:				
Forward foreign exchange contracts	USD 11,800	2021/11~2022/3	USD 6,990	2020/11-2021/2
"	CNY 34,300	2021/11~2022/2		
"	JPY 620,000	2021/11~2022/3		
"	NTD 27,828	2021/12~2022/3		

Foreign exchange swap contracts

The Company 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.

(11) Accounts payable

	December 31, 2021	December 31, 2020
Accounts payable	$ 418,040	$ 477,139
Estimated accounts payable	121,706	110,123
	$ 539,746	$ 587,262

(12) Other payables

	December 31, 2021	December 31, 2020
Salary and bonus payable	$ 262,715	$ 180,755
Employees' compensation and directors' remuneration payable	25,200	17,360
Pension payable	25,362	24,887
Accrued annual leave	14,483	12,574
Payable on machinery and equipment	97	504
Other	124,790	119,401
	$ 452,647	$ 355,481

(13) Long-term borrowings

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

Interest rate range：0.52%～0.88%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2020
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from July 29, 2019 to July 28, 2021; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 100,000
Unsecured borrowings	Borrowing period is from November 18, 2019 to May 18, 2021; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from February 20, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	300,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	24,000
Secured borrowings	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	Fixed	Note	108,000
				732,000
Less: Long-term liabilities,current portion				(300,000)
				$ 432,000

Interest rate range：0.52%～0.88%

Note : In order to repay the existing bank loans and replenish the medium-term working capital, the Company appointed Taipei Fubon Commercial Bank Co., Ltd. to provide a loan amounting to $500 million with a credit term of five years from the date of first drawdown. 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.

The 2021 and 2020 financial statements of the Company met the requirements of the financial ratio limits.

(14) Pensions

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

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

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 164,272)	($ 150,560)
Fair value of plan assets	141,673	130,720
Net defined benefit liability	($ 22,599)	($ 19,840)

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

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

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 144,251)	$ 120,079	($ 24,172)
Current service cost	(615)	-	(615)
Interest (expense) income	(1,082)	937	(145)
	(145,948)	121,016	(24,932)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,978	3,978
Change in demographic assumptions	(883)	-	(883)
Change in financial assumptions	(4,209)	-	(4,209)
Experience adjustments	(3,330)	-	(3,330)
	(8,422)	3,978	(4,444)
Pension fund contribution	-	9,536	9,536
Paid pension	3,810	(3,810)	-
At December 31	($ 150,560)	$ 130,720	($ 19,840)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Year ended December 31, 2021	Year ended December 31, 2020
Discount rate	0.5%	0.5%
Future salary increases	3%	3%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	$ 4,415	($ 4,587)	($ 4,402)	$ 4,261
December 31, 2020				
Effect on present value of defined benefit obligation	$ 4,240	($ 4,408)	($ 4,228)	$ 4,086

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

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

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to $9,537.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 4,318
1-2 year(s)	4,135
2-5 years	23,665
Over 5 years	45,587
	$ 77,705

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 pension costs under defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were $13,346 and $13,133, respectively.

(15) Share capital

A. As of December 31, 2021, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was $1,521,897 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 outstanding are as follows:

	2021	2020
At January 1	149,206	149,206
Stock dividend	2,984	-
Repurchase treasury shares	(715)	-
At December 31	151,475	149,206

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

C. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows: (There were no such transactions on December 31, 2020)

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	715	$41,977

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

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

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

(16) 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:

	2021					
	Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Net change in equity of subsidiaries	Employee stock option	Total
At January 1	$85,584	$ 133,672	$ 11,761	$ 1,776	$ 7	$232,800
Recognition of change in equity of associates in portion to the Group's ownership	-	-	-	10,951	-	10,951
At December 31	$85,584	$ 133,672	$ 11,761	$ 12,727	$ 7	$243,751

	2020					
	Share premium	Consolidation premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Net change in equity of subsidiaries	Employee stock option	Total
At January 1 / December 31	$85,584	$ 133,672	$ 11,761	$ 1,776	$ 7	$232,800

(17) 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 10% per annum. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

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. Special reserve

(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 2020 and 2019 earnings had been resolved at the stockholders' meeting on July 8, 2021 and May 21, 2020, respectively. Details are summarized below:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Amount	Earnings per share(In dollars)	Amount	Earnings per share(In dollars)
Legal reserve	$ 46,555		$ 27,131	
Special reserve	53,977		-	
Cash dividends	373,014	$ 2.5	373,014	$ 2.5
Stock dividends	29,842	0.2	-	-
Total	$ 503,388	$ 2.7	$ 400,145	$ 2.5

E. On March 2, 2022, the Board of Directors proposed for the distribution of dividends from the 2020 earnings in the amount of $456,569 at $3.01416 (in dollars) per share and ordinary shares in the amount of $45,657 at $0.301416 (in dollars). As of March 2, 2022, the aforementioned distribution has not yet been resolved by the shareholders.

(18) Other equity items

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

	2020			
	Unrealised gains(losses) from financial assets measured at fair value through other comprehensive income	Currency translation	Other	Total
At January 1	$ 149,836	($ 160,813)	$ 530	($ 10,447)
Valuation adjustment	(89,486)	-	-	(89,486)
Disposal transferred out from retained earnings	(31,227)	-	-	(31,227)
Currency translation differences:				
–Group	-	25,282	-	25,282
At December 31	$ 29,123	($ 135,531)	$ 530	($ 105,878)

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2021	Taiwan	China	Other	Total
Timing of revenue recognition				
At a point in time	$ 985,891	$ 2,105,455	$ 206,767	$ 3,298,113
Over time	83,420	-	-	83,420
	$ 1,069,311	$ 2,105,455	$ 206,767	$ 3,381,533

Year ended December 31, 2020	Taiwan	China	Other	Total
Timing of revenue recognition				
At a point in time	$ 603,140	$ 1,693,493	$ 132,017	$ 2,428,650
Over time	68,419	-	-	68,419
	$ 671,559	$ 1,693,493	$ 132,017	$ 2,497,069

B. Contract assets and liabilities

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

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities	$ 125,076	$ 289,944	$ 46,124

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

	Year ended December 31, 2021	Year ended December 31, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 284,976	$ 33,360

(20) Other income

	Year ended December 31, 2021	Year ended December 31, 2020
Rent income	$ 317	$ 224
Dividend income	16,097	12,507
Other income	14,640	34,191
	$ 31,054	$ 46,922

(21) Other gains and losses

	Year ended December 31, 2021	Year ended December 31, 2020
Gains on disposals of investments	$ 4,917	$ 10,351
Foreign exchange gains (losses)	3,022	(41,685)
(Losses) gains on financial assets (liabilities) at fair value through profit or loss	(1,147)	8,185
Othe losses	-	(7)
	$ 6,792	($ 23,156)

(22) Finance costs

	Year ended December 31, 2021	Year ended December 31, 2020
Bank loan	$ 16,299	$ 16,637
Lease liabilities	179	72
	$ 16,478	$ 16,709

(23) Expenses by nature

	Year ended December 31, 2021	Year ended December 31, 2020
Employee benefit expense	$ 553,694	$ 389,708
Depreciation expense(including right-of-use assets)	$ 33,580	$ 32,645
Amortisation charges	$ 4,868	$ 5,546

(24) Employee benefit expense

	Year ended December 31, 2021	Year ended December 31, 2020
Wages and salaries	$ 489,206	$ 330,015
Employee stock options	28,630	28,055
Pension costs	14,057	13,133
Other personnel expenses	21,801	18,505
	$ 553,694	$ 389,708

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

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

B. For the years ended December 31, 2021 and 2020, employees' compensation were accrued at $7,754 and $5,341, respectively; while directors' remuneration were accrued at $17,446 and $12,018, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 2.25% of distributable profit of current year for the year ended December 31, 2021. The employees' compensation and directors' remuneration resolved by the Board of Directors were $7,754 and $17,446, and the employees' compensation will be distributed in the form of cash.

The employees' compensation and directors' remuneration for 2020 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2020 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.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2021	Year ended December 31, 2020
Current tax:		
Current tax on profits for the year	$ 53,164	$ 58,186
Prior year income tax over estimation	(11,241)	(7,985)
Separate taxation of repatriated offshore funds	4,645	-
Total current tax	46,568	50,201
Deferred tax:		
Origination and reversal of temporary differences	43,334	27,813
Income tax expense	$ 89,902	$ 78,014

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

	Year ended December 31, 2021	Year ended December 31, 2020
Translation differences of foreign operations	($ 883)	($ 4,345)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2021	Year ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	$ 150,040	$ 103,356
Tax exempt income by tax regulation	(32,981)	(13,477)
Temporary differences not recognised as deferred tax assets	-	16,694
Effect from investment tax credits	(12,286)	-
Change in assessment of realisation of deferred tax assets	(6,955)	-
Prior year income tax over estimation	(11,241)	(7,985)
Separate taxation of repatriated offshore funds	4,645	-
Income tax paid in and for income derived from Mainland China	(1,320)	(20,574)
Income tax expense	$ 89,902	$ 78,014

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

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Unrealised exchange loss	$ 12,117	($ 2,498)	$ -	$ 9,619
Unrealised inventory valuation loss	30,528	6,196	-	36,724
Allowance for uncollectible accounts in excess of tax limits	29,305	(6,062)	-	23,243
Defined benefit plan	10,058	-	-	10,058
Translation differences of foreign operations	7,263	-	(883)	6,380
Other	30,125	(841)	-	29,284
Subtotal	$ 119,396	($ 3,205)	($ 883)	$ 115,308
—Deferred tax liabilities:				
Investment income recognised under equity method	($ 291,070)	($ 42,103)	$ -	($ 333,173)
Defined benefit plan	(12,510)	(1,765)	-	(14,275)
Land Value Increment Tax	(22,843)	-	-	(22,843)
Other	(4,537)	3,739	-	(798)
Subtotal	($ 330,960)	($ 40,129)	$ -	($ 371,089)
Total	($ 211,564)	($ 43,334)	($ 883)	($ 255,781)

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised exchange loss	$ 8,101	$ 4,016	$ -	$ 12,117
Unrealised inventory valuation loss	64,805	(34,277)	-	30,528
Allowance for uncollectible accounts in excess of tax limits	22,187	7,118	-	29,305
Defined benefit plan	10,058	-	-	10,058
Translation differences of foreign operations	11,608	-	(4,345)	7,263
Other	30,676	(551)	-	30,125
Subtotal	$ 147,435	($ 23,694)	($ 4,345)	$ 119,396
－Deferred tax liabilities:				
Investment income recognised under equity method	($ 291,005)	($ 65)	$ -	($ 291,070)
Defined benefit plan	(10,791)	(1,719)	-	(12,510)
Land Value Increment Tax	(22,843)	-	-	(22,843)
Other	(2,202)	(2,335)	-	(4,537)
Subtotal	($ 326,841)	($ 4,119)	$ -	($ 330,960)
Total	($ 179,406)	($ 27,813)	($ 4,345)	($ 211,564)

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	$ 59,611	$ 98,830

E. The Company’s income tax returns through 2019 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the company	$ 660,294	151,858	$ 4.35
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	170	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 660,294	152,028	$ 4.34

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the company	$ 438,766	152,190	$ 2.88
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	173	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 438,766	152,363	$ 2.88

(27) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of property, plant and equipment	$ 118,903	$ 11,085
Add: Opening balance of payable on equipment	504	168
Less: Ending balance of payable on equipment	(97)	(504)
Cash paid during the year	$ 119,310	$ 10,749

(28) Changes in liabilities from financing activities

	2021			
	Short-term borrowings	Long-term borrowings (Note 1)	Leases liabilities (Note 2)	Liabilities from financing activities-gross
At January 1	$ 570,600	$ 732,000	$ 6,099	$ 1,308,699
Changes in cash flow from financing activities	124,381	113,000	(6,614)	230,767
Interest expense	-	-	179	179
Payment of interest	-	-	(179)	(179)
Changes in other non-cash items	-	-	19,925	19,925
At December 31	$ 694,981	$ 845,000	$ 19,410	$ 1,559,391

	2020			
	Short-term borrowings	Long-term borrowings (Note 1)	Leases liabilities (Note 2)	Liabilities from financing activities-gross
At January 1	$ 947,960	$ 850,000	$ 3,099	$ 1,801,059
Changes in cash flow from financing activities	(377,360)	(118,000)	(3,894)	(499,254)
Interest expense	-	-	72	72
Payment of interest	-	-	(72)	(72)
Changes in other non-cash items	-	-	6,894	6,894
At December 31	$ 570,600	$ 732,000	$ 6,099	$ 1,308,699

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

Note 2: Including lease liability - current portion.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Csun Technology (Guangzhou) Co., Ltd.	Subsidiary
Abcon Technology Inc.	Subsidiary
Wat Sun. Intelligent Technology Co., Ltd.	Subsidiary
Suzhou Top Creation Machines Co., Ltd.	Subsidiary
Alpha-Cure Asia Co.,Ltd.	Associate
Gallant Precision Machining Co., Ltd.	Associate
Gallant Micro. Machining Co., Ltd.	Associate
Viewmove Technologies, Inc.	Associate

(2) Significant related party transactions

A. Operating revenue:

	Year ended December 31, 2021	Year ended December 31, 2020
Sales of goods:		
Subsidiary	$ 453,408	$ 184,134
Associates	415	-
Sales of services:		
Subsidiary	-	9,430
	$ 453,823	$ 193,564

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

B. Purchases:

	Year ended December 31, 2021	Year ended December 31, 2020
Purchases of goods:		
Subsidiary	$ 317,730	$ 220,071
Associates	41,985	14,558
	$ 359,715	$ 234,629

Goods and services are purchased from associates and an entity controlled by key management personnel on normal commercial terms and conditions.

C. Receivables from related parties:

	December 31, 2021	December 31, 2020
Accounts receivable:		
Subsidiary	$ 82,548	$ 39,563
Associates	436	-
	82,984	39,563
Other receivables:		
Subsidiary	14,574	7,334
Associates	-	391
	14,574	7,725
	$ 97,558	$ 47,288

The receivables from related parties arise mainly from sale transactions and other transactions. The receivables are unsecured in nature and bear no interest.

There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties:

	December 31, 2021	December 31, 2020
Accounts payable:		
Subsidiary	$ 67,834	$ 71,207
Associates	29,782	10,698
	$ 97,616	$ 81,905

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

E. Contract liabilities

	December 31, 2021	December 31, 2020
Subsidiary	$ 722	$ -

F. Other transaction:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Item	Amount	Item	Amount
Subsidiary	Service revenue	$ 7,913	Service revenue	$ -
Subsidiary	Service expense	$ 34,996	Service expense	$ 22,370

(3) Key management compensation

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and other short-term employee benefits	$ 56,432	$ 27,824
Post-employment benefits	380	325
	$ 56,812	$ 28,149

8. Pledged Assets

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

Pledged asset	Book value December 31, 2021	Book value December 31, 2020	Purpose
Property, plant and equipment	$ 426,122	$ 373,227	Long-term borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

Except for the descriptions in other Notes to the parent company only financial statements, the Company's significant commitments and contingencies as of the balance sheet date are as follows: Promissory notes issued for performance guarantees of sales for the years ended December 31, 2021 and 2020 were $69,116 and $25,578, respectively.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Please refer note 6(17).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company 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 parent company only balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the parent company only balance sheet plus net debt.

During the year ended December 31, 2021, the Company's strategy, which was unchanged from 2021, was to maintain the gearing ratio within reasonable risk level. The gearing ratios at December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Total borrowings	$ 1,539,981	$ 1,302,600
Less: Cash and cash equivalents	(218,938)	(513,963)
Net debt	1,321,043	788,637
Total equity	2,828,297	2,509,665
Total capital	$ 4,149,340	$ 3,298,302
Gearing ratio	31.84%	23.91%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 58,383	$ 55,878
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 426,103	$ 103,573
Financial assets at amortised cost		
Cash and cash equivalents	$ 218,938	$ 513,963
Notes receivable	5,297	3,750
Accounts receivable (including related parties)	951,812	1,031,849
Other receivables (including related parties)	16,887	7,725
Guarantee deposits paid	7,480	1,098
	$ 1,200,414	$ 1,558,385

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 3,399	$ 166
Financial liabilities at amortised cost		
Short-term borrowings	$ 694,981	$ 570,600
Notes payable	40,504	67,224
Accounts payable (including related parties)	637,362	669,167
Other accounts payable	452,647	355,481
Long-term borrowings (including current portion)	845,000	732,000
	$ 2,670,494	$ 2,394,472
Lease liability (including current portion)	$ 19,410	$ 6,099

B. Financial risk management policies

(a) The Company’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 Company, 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 (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company'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 Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 26,051	27.63	$ 719,789
RMB:NTD	26,172	4.319	113,037
JPY:NTD	218,993	0.239	52,339
Non-monetary items			
USD:NTD	$ 74,367	27.63	$ 2,054,769
Financial liabilities			
Monetary items			
USD:NTD	$ 19,000	27.73	$ 526,870
JPY:NTD	19,465	0.2425	4,720

	December 31, 2020			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 34,316	28.430	$ 975,604	
RMB:NTD	38,104	4.352	165,829	
JPY:NTD	64,624	0.274	17,726	
Non-monetary items				
USD:NTD	$ 94,262	28.430	$ 2,679,882	
Financial liabilities				
Monetary items				
USD:NTD	$ 21,187	28.530	$ 604,465	
JPY:NTD	6,993	0.278	1,946	

ii. Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020, amounted to $3,022 and ($41,685), respectively.

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

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,198	$ -
RMB:NTD	1%	1,130	-
JPY:NTD	1%	523	-
Non-monetary items			
USD:NTD	1%	$ -	$ 20,548
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 5,269)	$ -
JPY:NTD	1%	(47)	-

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 9,756	$ -
RMB:NTD	1%	1,658	-
JPY:NTD	1%	177	-
Non-monetary items			
USD:NTD	1%	$ -	$ 26,799
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 6,045)	$ -
JPY:NTD	1%	(19)	-

Price risk

i. The Company’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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company’s investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $440 and $559, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $3,409 and $1,036, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

The Company's main interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company 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 Company to fair value interest rate risk. During the years ended December 31, 2021 and 2020, the Company's borrowings at variable rate were denominated in the NTD. If the interest rate had increased/decreased by 0.25%, the amount of cash flow out for the years ended December 31, 2021 and 2020 would have increased/decreased by $3,850 and $1,080, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company 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, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company 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 default occurs when the contract payments are past due.

iv. The Company 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. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using provision matrix to estimate expected credit loss.

vi. The Company used the forecastability of the industry research report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2021 and 2020, the provision matrix is as follows:

	Up to 60 days past due	61~120 days past due	121~180 days past due	Up to 181 days	Total
At December 31, 2021					
Expected loss rate	15%	0%	100%	39%	
Total book value	$ 1,044,946	$ -	$ 480	$ 77,483	$ 1,122,909
Loss allowance	($ 140,366)	$ -	($ 480)	($ 30,251)	($ 171,097)
At December 31, 2020					
Expected loss rate	10% less	20%~90%	30%~90%	100%	
Total book value	$ 1,121,770	$ 61,522	$ 1,298	$ 37,399	$ 1,221,989
Loss allowance	($ 98,169)	($ 53,416)	($ 1,156)	($ 37,399)	($ 190,140)

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

	2021		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 190,140	$ 23	$ 11,105
(Reversal of)Provision for impairment	(19,043)	14	(436)
Write-offs	-	-	(7,504)
At December 31	$ 171,097	$ 37	$ 3,165

	2020		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 85,086	$ 111	$ 87,004
Provision for impairment	164,892	-	-
Reversal of impairment loss	-	(88)	(75,899)
Write-offs	(59,838)	-	-
At December 31	$ 190,140	$ 23	$ 11,105

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

viii. For financial instruments at amortised cost, the credit rating levels are presented below: (There were no such transactions on December 31, 2020)

	December 31, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial liabilities at amortised cost	$ 18,224	$ -	$ -	$ 18,224

(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.

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 and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2021 and 2020 the Company held money market position of $217,002 and $511,866, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2021	December 31, 2020
Fixed rate:		
Expiring within one year	$ 1,810,190	$ 1,531,119
Expiring beyond one year	200,000	413,001
	$ 2,010,190	$ 1,944,120

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

December 31, 2021	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 694,981	$ -	$ -	$ -
Notes payable	40,504	-	-	-
Accounts payable(including related parties)	637,362	-	-	-
Other payables	452,647	-	-	-
Lease liability(including current portion)	9,111	10,601	-	-
Long-term borrowings(including current portion)	109,041	714,641	36,506	-
Derivative financial liabilities				
Forward exchange contracts	$ 3,399	$ -	$ -	$ -

December 31, 2020	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 570,600	$ -	$ -	$ -
Notes payable	67,224	-	-	-
Accounts payable(including related parties)	669,167	-	-	-
Other payables	355,481	-	-	-
Lease liability(including current portion)	3,456	2,834	-	-
Long-term borrowings(including current portion)	300,859	-	443,525	-
Derivative financial liabilities				
Forward exchange contracts	$ 166	$ -	$ -	$ -

(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 Company's investment in listed stocks, beneficiary certificates, 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 Company's investment in most derivative instruments is included in Level 2.

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

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2021 and 2020 is as follows:

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

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 58,383	$ -	$ -	$ 58,383
Financial assets at fair value through other comprehensive income				
Equity securities	316,216	-	109,887	426,103
Total	$ 374,599	$ -	$ 109,887	$ 484,486
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	($ 3,399)	$ -	($ 3,399)

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 55,173	$ 705	$ -	$ 55,878
Financial assets at fair value through other comprehensive income				
Equity securities	1,555	-	102,018	103,573
Total	$ 56,728	$ 705	$ 102,018	$ 159,451
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Equity securities	$ -	($ 166)	$ -	($ 166)

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

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

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

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 parent company only 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 Company 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.

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

viii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company'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 Company'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 parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

ix. The Company 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 Company's credit quality.

C. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

D. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021	2020
	Equity securities	Equity securities
At January 1	$ 102,018	$ 109,258
Gain or loss recognized in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	45,730	7,080
Acquired in the year	11,172	1,594
Sold in the year	(511)	(200)
Transfer to investment accounted for under equity method	(38,561)	-
Proceeds from capital reduction	(8,686)	(15,714)
Transfers out from level 3	(1,275)	-
At December 31	$ 109,887	$ 102,018

E. For year ended December 31, 2021, the Group increased holding shares of Viewmove Technologies, Inc. and therefore has significant impact on Viewmove Technologies, Inc., which transfers out from "financial assets at fair value through other comprehensive income" level 3 to "investments accounted for using equity method". Additionally, the shares of Yankey Engineering Co., Ltd. has been listed, thus, there is sufficient observable market information. The Group transfers the adopted fair value from level 3 into level 1 in the ending of the month when the event occurs.

For the year ended December 31, 2020, there was no transfer into or out from Level 3.

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

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

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 97,963	Market comparable companies	Price to earnings ratio multiple	1.82~19.9	The higher the multiple and control premium, the higher the fair value
Venture capital shares Private equity fund investment	11,924	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 86,904	Market comparable companies	Price to earnings ratio multiple	1.99~173	The higher the multiple and control premium, the higher the fair value
Venture capital shares Private equity fund investment	15,114	Net asset value	Not applicable	Not applicable	Not applicable

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

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	$ -	$ -	$ 10,989	($ 10,989)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio	± 10%	$ -	$ -	$ 11,655	($ 11,655)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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

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

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

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

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(10) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

Not applicable.

C SUN MFG. LTD.
Loans to other
For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
0	Top Creation Machines Co., Ltd.	Power Ever Enterprises Limited	Other receivables	Yes	$ 1,000	$ -	$ -	1.25%	Short-term financing	$ -	Operational need	$ -	-	$ -	$ 619	$ 1,238	Note

Note: As prescribed in the subsidiary, Top Creation Machines Co., Ltd.'s "Procedures for Provision of Loans":

(a) Ceiling on total loans granted: The total amount shall not exceed 40% of the net assets value of the Company and the limit amount for a single party shall not exceed 20% of the net equity.

(b) For business relationship, the limit amount for a single party shall not exceed 40% of the net assets value of the Company.

(c) 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.
Provision of endorsements and guarantees to others
For the year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Note 2	$ 565,659	$ 83,040	$ 83,040	$ -	$ -	2.94	$ 1,414,148	Y	N	Y	
0	C SUN MFG. LTD.	Suzhou Top Creation Machines Co., Ltd.	Note 2	565,659	83,040	83,040	-	-	2.94	1,414,148	Y	N	Y	

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

C SUN MFG. LTD.

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

December 31, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2021			
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value
C SUN MFG. LTD.	Mufg Fund Services (Singapore) Pte. Ltd.	None	Financial assets at fair value through profit or loss - current	16,754	$ 58,383	-	$ 58,383
"	Group Up Industrial Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	550,000	44,715	1.00	44,715
"	Ampoc Far-East Co., Ltd.	"	"	5,466,000	210,714	4.78	210,714
"	Yankey Engineering Co., Ltd.	"	"	32,700	8,339	0.05	8,339
"	UTECHZONE CO., LTD.	"	"	596,000	52,448	1.00	52,448
"	Advance Materials Corporation	"	Financial assets measured at fair value through other comprehensive income - non-current	1,423,770	17,441	1.21	17,441
"	Emax Tech Co., Ltd.	Director	"	3,652,554	70,896	10.82	70,896
"	Hua Da Venture Capital Corporation	"	"	330,000	2,492	6.00	2,492
"	Luminescence Technology Corp.	None	"	454,000	9,035	1.80	9,035
"	Aibdt Technology Inc.	"	"	324,951	591	1.79	591
"	Gvt Fund Gp, L.P.	"	"	517,113	9,432	1.62	9,432
C Sun (B.V.I.) Ltd.	Gvt Fund Gp, L.P.	"	"	176,935	2,848	0.55	2,848
"	Mufg Fund Services (Singapore) Pte. Ltd.	"	Financial assets at fair value through profit or loss - current	8,200	28,625	-	28,625
K Sun (Samoa) Ltd.	Unimax C.P.I. Technology Corp.	"	Financial assets measured at fair value through other comprehensive income - non-current	1,729,728	9,097	17.86	9,097

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

C SUN MFG. LTD.

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

For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Sales	$ 438,271	7.66%	Similary to third parties	Similary to third parties	Similary to third parties	$ 74,116	3.55%
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Purchases	316,688	7.78%	Similary to third parties	Similary to third parties	Similary to third parties	67,458	7.06%
Suzhou Top Creation Machines Co., Ltd.	Power Ever Enterprises Limited	Sibling Company	Sales	199,577	3.49%	Similary to third parties	Similary to third parties	Similary to third parties	26,114	1.25%

C SUN MFG. LTD.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 3)	Percentage of consolidated total operating revenues or total assets (Note 4)
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	1	Sales	$ 438,271	-	7.66
	"	"	1	Service expenses	34,996	-	0.61
	"	"	1	Purchases	316,688	-	5.53
	"	"	1	Accounts payable	67,458	-	0.92
	"	"	1	Accounts receivable	74,116	-	1.01
	"	"	1	Other accounts payable	14,574	-	0.20
	"	Wat Sun. Intelligent Technology Co., Ltd.	1	Sales	15,137	-	0.26
1	Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chuang Gao Xin Materials Technology Co., Ltd.	3	Rent expense	15,067	-	0.26
2	Suzhou Top Creation Machines Co., Ltd.	Power Ever Enterprises Limited	3	Sales	199,577	-	3.49
	"	"	3	Accounts receivable	26,114	-	0.36
	"	"	3	Advance payment	12,179	-	0.17
	"	Top Creation Machines Co., Ltd.	3	Service fees	11,159	-	0.19

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

(1) Number 0 represents the Company

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

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

(1) The Company to the consolidated subsidiaries.

(2) The consolidated subsidiaries to the Company

(3) The consolidated subsidiaries to another consolidated subsidiaries.

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

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

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

C SUN MFG. LTD.

Information on investees

For the year ended December 31, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2020					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income(loss) recognised by the Company for the year ended December 31, 2021	Footnote
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	British Vitgin Islands	Investment	$ 320,922	$ 330,197	-	100.00	$ 2,038,167	$ 345,763	$ 338,772	
"	K Sun (Samoa) Ltd.	Samoa	Investment	63,996	65,846	-	100.00	16,602	(37)	(37)	
"	Wat Sun. Intelligent Technology Co., Ltd.	Taiwan	Machinery and equipment manufacturing	700,000	700,000	70,000,000	100.00	50,149	4,899	4,919	
"	Abcon Technology Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	-	20,000	-	0.00	-	(30)	(21)	
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	854,584	723,954	43,553,827	27.12	901,999	247,160	63,527	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	83,624	83,264	1,812,000	6.68	92,375	159,303	10,960	
"	Viewmove Technologies, Inc. (Note 4)	Taiwan	Machinery and equipment wholesale and manufacturing	27,389	-	676,504	20.70	40,661	21,298	3,983	
C Sun (B.V.I.) Ltd.	Alpha Joint Ltd.	Samoa	Investment	16,054	16,518	580,000	100.00	84,628	2,618	2,618	
"	Power Ever Enterprises Limited	Samoa	Investment	163,589	168,317	-	77.47	784,694	249,142	193,020	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	166,080	170,880	6,000,000	100.00	1,014,885	281,090	281,090	
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	3,925	827	827	

Note 1: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.

Note 2: The shares of Gallant Precision Machining Co., Ltd. held by the Company were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company cumulatively increased its shareholdings in Gallant Precision Machining Co., Ltd. on March 30, 2020, and the Company obtained the significant influence over it.

Note 3: The shares of Gallant Micro. Machining Co., Ltd. held by the Company were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company cumulatively increased its shareholdings in Gallant Micro. Machining Co., Ltd. on October 31, 2020, and the Company obtained the significant influence over it.

Note 4: The shares of Viewmove Technologies, Inc. held by the Company were transferred from financial assets measured at fair value through other comprehensive income to investments accounted for using equity method as the Company’s comprehensive shareholding ratio

C SUN MFG. LTD.

Information on investments in Mainland China

For the year ended December 31, 2021

Table 7

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan toMainland China as of December 31, 2021	Net profit (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note2(2))	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Csun Technology (Guangzhou) Co., Ltd.	Manufacturing, installing, sales and processing all manner of drying equipment, tempature experiment equipment and exposure equipment.	$ 531,733	Reinvested in the Mainland China investee through investing in an existing company (CSUN) in the third area.	$ 135,621	$ -	$ -	$ 131,812	$ 147,512	100.00	$ 147,512	$ 1,190,952	$ 506,316	Note 2 (2) (B)
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	58,654	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint) in the third area.	16,518	-	-	16,054	15,089	25.00	3,772	71,837	-	Note 2 (2) (B)
Suzhou Amc Technology Co., Ltd.	Preparation, research and design, manufacturing and processing for copper claded laminates, semiconductor, special for components use materials and tc tape carrier package.	498,240	Reinvested in the Mainland China investee through investing in an existing company (K SON) in the third area.	6,867	-	-	6,674	-	0.89	-	-	-	
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	138,400	Invested the investee through the company (志聖科技) in the Mainland China.	4,918	-	-	4,780	-	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.	152,240	Reinvested in the Mainland China investee through investing in an existing company (福盟) in the third area.	167,662	-	-	162,952	281,187	77.47	217,835	1,014,718	58,671	Note 2 (2) (B)、Note 4
Guangzhou Y SUN Machinery Tech. Co., Ltd.	Mainly laser cutting machinery parts, various metal precision sheet metal, laser, punching;zigzag processing machinery;frame development for Stainless steel equipment for dust-free room; design, manufacturing and installation of generator, air compressor, sound-proof shield, engine room soundproof.	58,644	Invested the investee through the company (志聖科技) in the Mainland China.	-	-	-	-	205	100.00	205	4,241	-	Note 2 (2) (B)
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.	230,232	Invested the investee through the company (志聖科技) in the Mainland China.	-	-	-	-	4,245	100.00	4,245	246,171	-	Note 2 (2) (B)

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

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

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

(3)Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' 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 audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

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

C.Others.

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

Note 4:As of December 31, 2021, C Sun (B.V.I.) Ltd. held 77.47% of the equity interest of Power Ever Enterprises Limited and indirectly obtains the equity interest of Power Ever Enterprises Limited, and indirectly obtained the equity interest of Suzhou Top Creation Machines Co., Ltd. through investing in an existing company in the third area, which then invested in Suzhou Top Creation Machines Co., Ltd. in Mainland China.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	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.	$322,273	$700,578	$1,696,978

C SUN MFG. LTD.

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

For the year ended December 31, 2021

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2021	%	Balance at December 31, 2021	Purpose	Maximum balance during the year ended December 31, 2021	Balance at December 31, 2021	Interest rate	Interest during the year ended December 31, 2021	Others
Csun Technology (Guangzhou) Co., Ltd.	$ 438,272	7.66	$ 316,688	7.78	$ 74,116	3.40	$ 67,458	7.37	-	-	-	-	-

C SUN MFG. LTD.

Information of major shareholders

December 31, 2021

Table 9

	Shares	
Name of major shareholders	Number of shares held	Holding percentage
Hai-Xing Investment Co.,Ltd	13,794,304	9.06%
Pin-Zhi Investment Co.,Ltd	11,474,331	7.53%
Gallant Precision Machining Co., Ltd.	8,650,682	5.68%

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

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

C SUN MFG. LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item		Description			Amount	
Cash and cash equivalents					$	1,936
Cash in banks						
Demand deposits	-NTD					138,393
	-USD	2,371	thousands	Exchange rate 27.63		65,503
	-CNY	1,769	thousands	Exchange rate 4.3190		7,642
	-JPY	19,346	thousands	Exchange rate 0.239		4,614
	-Other					850
					$	218,938

C SUN MFG. LTD.
STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Client Name	n	Amount	Note
Account receivable			
Customer:			
1013596		$ 169,169	
1013698		79,401	
1013489		54,611	
Other		736,744	The balance of each customer has not exceeded 5% of the accounts receivable
Subtotal		1,039,925	
Less : Allowance for uncollectible		(171,097)	
		$ 868,828	
Accounts receivable-related parties			
Csun Technology (Guangzhou) Co., Ltd.		$ 74,116	
Wat Sun. Intelligent Technology Co., Ltd.		8,432	
Other		436	
		$ 82,984	

C SUN MFG. LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Description	Amount: Cost	Amount: Value	Note
Raw material		$ 135,473	$ 67,636	Net realisable values are used as market value
Work in progress		336,888	659,591	"
Finished goods		192,233	250,432	"
Inventory in transit		31,020	31,020	"
		695,614	$ 1,008,679	
Less : Allowance for valuation loss		(183,622)		
		$ 511,992		

C SUN MFG. LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Beginning Balance		Addition(Notes 1)		Decrease(Notes 2)		Ending Balance			Market Value or Net Assets Value			
Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Total Amount	Unit Price	Collateral	Note
C Sun (B.V.I) Ltd.	-	$ 1,791,478	-	$ 364,577	-	($ 117,888)	-	100	$ 2,038,167	$ 2,038,167	$ -	None	
K Sun (B.V.I) Ltd.	-	16,627	-	539	-	(564)	-	100	16,602	16,602	-	"	
Wat Sun. Intelligent Technology Co., Ltd.	70,000,000	45,230	-	4,919	-	-	70,000,000	100	50,149	50,149	-	"	
Abcon Technology Inc.	2,000,000	6,206	-	-	2,000,000	(6,206)	-	-	-	-	-	"	
Gallant Precision Machining Co., Ltd.	39,537,827	734,188	4,016,000	222,157	-	(54,346)	43,553,827	27.12	901,999	1,500,429	-	"	
Gallant Micro. Machining Co., Ltd.	1,812,000	86,153	-	14,576	-	(8,354)	1,812,000	6.68	92,375	193,884	-	"	
Viewmove Technologies, Inc.	-	-	676,504	42,690	-	(2,029)	676,504	20.7	40,661	40,661	-	"	
		$ 2,679,882		$ 649,458		($ 189,387)			$ 3,139,953				

Notes 1 and 2: Additions and decreases for the year including unrealised gross profit on inter-affiliate accounts, cumulative translation adjustment, increase of the investment amount, gain (loss) on investment, earnings remitted back and unrealised gain (loss) on financial instruments.

C SUN MFG. LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	Beginning Balance	Addition	Decrease	Reclassifications	Ending Balance	Collateral	Note
Land	$ 174,128	$ 72,960	$ -	$ -	$ 247,088	Pledge for long – term borrowings	
Buildings and structures	382,360	27,276	-	-	409,636	Pledge for long – term borrowings	
Machinery and equipment	20,053	269	-	-	20,322	None	
Office equipment	56,207	5,030	-	280	61,517	None	
Transportation equipment	6,282	2,205	-	-	8,487	None	
Other equipment	18,894	717	-	-	19,611	None	
Unfinished projects and equipment	3,309	10,446	-	(1,138)	12,617	None	
	$ 661,233	$ 118,903	$ -	($ 858)	$ 779,278		

C SUN MFG. LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Beginning Balance	Addition	Decrease	Reclassifications	Ending Balance
Buildings and structures	$ 119,818	$ 14,410	$ -	$ -	$ 134,228
Machinery and equipment	16,195	1,458	-	-	17,653
Office equipment	37,018	8,176	-	-	45,194
Transportation equipment	6,244	318	-	-	6,562
Other equipment	14,534	2,621	-	-	17,155
	$ 193,809	$ 26,983	$ -	$ -	$ 220,792

C SUN MFG. LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Loan Commitments	Collateral
E.SUN Bank	Unsecured borrowings	$ 112,307	Maturity within 1 year	floating	$ 300,000	None
Citibank	Unsecured borrowings	135,460	"	floating	220,000	"
Taishin International Bank	Unsecured borrowings	80,417	"	floating	150,000	"
First Commercial	Unsecured borrowings	97,055	"	floating	120,000	"
Cathay United Bank	Unsecured borrowings	175,460	"	floating	200,000	"
Taipei Fubon Bank	Unsecured borrowings	94,282	"	floating	120,000	"
		$ 694,981			$ 1,110,000	

Rate range：0.76%~0.95%

C SUN MFG. LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Creditor	Description	Amount	Contract	Interest	Collateral
The Export-Import Bank of the Republic of China	Borrowing period is from July 27, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	$ 100,000	2021.7.27~ 2023.1.28	Fixed	None
The Export-Import Bank of the Republic of China	Borrowing period is from August 20, 2021 to January 28, 2023; interest is repayable monthly; principal is repayable in full at maturity.	100,000	2021.8.20~ 2023.1.28	Fixed	None
Yuanta Commercial Bank	Borrowing period is from June 9, 2020 to June 8, 2023; interest is repayable monthly; principal is repayable in full at maturity.	180,000	2020.6.9~ 2023.6.8	Fixed	Buildings and structures
Yuanta Commercial Bank	Borrowing period is from June 9, 2020 to June 8, 2023; interest is repayable monthly; principal is repayable in full at maturity	33,000	2020.6.9~ 2023.6.8	Fixed	"
Taipei Fubon Bank	Borrowing period is from February 20, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	300,000	2020.2.20~ 2025.2.20	Fixed	"
"	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	24,000	2020.7.1~ 2025.2.20	Fixed	"
"	Borrowing period is from July 1, 2020 to February 20, 2025; interest is repayable quarterly; principal is repayable quarterly in 12 instalments from the next day after 24 months. The monthly payment shall be calculated by using annuity method and the principal and interest shall be paid based on the schedule.	108,000	2020.7.1~ 2025.2.20	Fixed	"
		845,000			
Less：Long-term liabilities,current portion		(105,250)			
Interest rate range：0.52%~0.88%		$ 739,750			

C SUN MFG. LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Unit	Amount	Note
Thermal curing process equipment	516	$ 1,148,792	
UV curing process equipment	48	662,356	
Photolithography equipment	259	1,143,098	
Other	52	427,287	
		$ 3,381,533	

C SUN MFG. LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Amount
Raw materials at beginning of year	$ 122,854
Add: Raw materials purchased	1,391,640
Less: Raw materials at end of year	(166,493)
Sale of raw materials	(76,958)
Loss on scrapping inventory	(6,390)
Loss on physical inventory	(116)
Other	(1,310)
Consumption of raw materials for the year	1,263,227
Direct labor	34,118
Manufacturing expenses	540,560
Manufacturing cost	1,837,905
Add:Work in process at beginning of year	375,654
Work in progress purchased	171,236
Less: Work in Progress at end of year	(336,888)
Work in progress sold	(123,214)
Inventory scrapped loss	(1,281)
Other	(187,971)
Cost of finished goods	1,735,441
Add:Finished goods at beginning of year	277,010
Finished goods purchased	200,661
Other	111,468
Less: Finished goods at end of year	(192,232)
Cost of goods sold	2,132,348
Cost of sales and service	33,514
Unrealised inventory valuation loss	(41,904)
Inventory scrapped loss	7,671
Cost of raw materials sold	76,958
Cost of work in process sold	123,214
Loss on physical inventory	116
Revenue from sales of scraps	(45)
Total operating cost	$ 2,331,872

C SUN MFG. LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Item	Description	Amount		Note
Selling expenses：				
Wages and salaries expenses		$	101,919	
Service expenses			61,158	
Packing expenses			36,309	
Shipping expenses			31,498	
Others			77,945	The amount of each item included in others does not exceed 5% of the account balance.
		$	308,829	
General and administrative expenses：				
Wages and salaries expenses		$	154,340	
Expenditure			15,812	
Others			65,144	The amount of each item included in others does not exceed 5% of the account balance.
		$	235,296	
Research and development expenses：				
Wages and salaries expenses		$	120,522	
Others			74,352	The amount of each item included in others does not exceed 5% of the account balance.
		$	194,874	
		$	738,999	

C SUN MFG. LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Statement 12

Function / Nature	Year ended December 31, 2021			Year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 112,425	$ 360,443	$ 472,868	$ 106,941	$ 210,506	$ 317,447
Labour and health insurance fees	8,850	19,780	28,630	9,198	18,857	28,055
Pension costs	4,196	9,861	14,057	4,306	8,827	13,133
Directors' remuneration	-	16,338	16,338	-	12,568	12,568
Other personnel expenses	4,344	17,457	21,801	4,165	14,340	18,505
Depreciation Expense	13,306	20,274	33,580	15,952	16,693	32,645
Amortisation Expense	584	4,284	4,868	710	4,836	5,546

Note:

1. As at December 31, 2021 and 2020, the Company had 398 and 348 employees,including 5 and 5 non-employee directors, respectively.

2.A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year was $1,367.
Average employee benefit expense in previous year was $1,100.

(2) Average employees salaries in current year was $1,203.
Average employees salaries in previous year was $926.

(3) Adjustments of average employees salaries was 30 %.

(4) The company has established an audit committee, so there is no supervisor's remuneration.

C SUN MFG. LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Statement 12

(5) The Company's remuneration policy (including Directors, supervisors, managers and employees)

(a) The emolument of the directors and supervisors includes remuneration, transportation allowance, execution fee and the remuneration distributed from earning which were under the Company’s Articles of Incorporation.

(b) The emolument of general manager and vice general manager includes salary, bonus, employees compensation shall be determined by reference to the level of the same industry, depending on the position they hold, the responsibilities they assumedand the contribution to the Company.

(c) The employee compensation policy of the Company is established based on the employee’s ability, contribution to the Company, performance, and determined after considering the company’s future operational risks. In accordance with the Company Act and the Company’s Articles of Incorporation, a fixed percentage of the earnings before tax of the year is allocated to employees as employee compensation, which is paid in the middle of the following year.

Additionally, a fixed percentage of the current year’s annual net income is appropriated as a year-end bonus to be paid to employees before the Chinese New Year, and the operating performance or results are appropriately reflected in employees’ compensation.