TSEC Corporation and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
TSEC Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of TSEC Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2023 and 2022 the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews and other accountants (please refer to other matters), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Chuan Yu and Chiang-Hsun Chen.

Other Matter Paragraph

In the consolidated financial statements of the invested company included in the evaluation of equity method by the TSEC Corporation Group, the financial statements of Yuan-Yu Solar Energy Co., Ltd. were not reviewed by our auditors, but by other auditors. Therefore, the conclusions made by our auditors regarding the amounts presented in the financial statements of Yuanyu Solar Co., Ltd. in the aforementioned consolidated financial statements are based on the review results of the other auditors. As of March 31, 2023, the investment balance in Yuan-Yu Solar Energy Co., Ltd. accounted for NT$131,009 thousand, representing 1% of the total consolidated assets. The share of the equity method recognized for associated enterprises and joint ventures from January 1, 2023, to March 31, 2023, amounted to NT$36,797 thousand, accounting for 21% of the total consolidated comprehensive income.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2023

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 947,586	9	$ 837,804	8	$ 738,402	8
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	-	-	2,224	-
Financial assets at amortized cost - current (Notes 4 and 8)	41,626	-	-	-	-	-
Accounts receivable (Notes 4, 9 and 25)	961,029	9	1,164,930	10	736,704	7
Accounts receivable from related parties (Notes 4, 9, 25 and 31)	-	-	9,498	-	18,767	-
Other receivables (Notes 4 and 9)	14,846	-	15,449	-	12,908	-
Other receivables from related parties (Notes 4 and 31)	813	-	1,416	-	555	-
Current tax assets (Note 4)	700	-	382	-	57	-
Inventories (Notes 4 and 10)	1,374,902	12	1,699,321	15	1,173,308	12
Other current assets (Notes 18 and 32)	377,776	3	298,529	3	433,654	4
Total current assets	3,719,278	33	4,027,329	36	3,116,579	31
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 4 and 11)	-	-	-	-	5,901	-
Investments accounted for using the equity method (Notes 4, 13 and 32)	373,699	3	325,622	3	338,776	4
Property, plant and equipment (Notes 4, 14 and 32)	5,393,724	48	5,442,722	48	4,919,655	49
Right-of-use assets (Notes 4 and 15)	15,223	-	10,770	-	6,716	-
Investment properties (Notes 4, 16 and 32)	160,224	2	163,159	1	172,122	2
Other intangible assets (Notes 4 and 17)	5,269	-	4,708	-	3,869	-
Deferred tax assets (Note 4)	260,688	2	236,844	2	228,061	2
Other non-current assets (Notes 18, 28 and 32)	1,286,059	12	1,096,896	10	1,192,107	12
Total non-current assets	7,494,886	67	7,280,721	64	6,867,207	69
TOTAL	$ 11,214,164	100	$ 11,308,050	100	$ 9,983,786	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19, 28 and 32)	$ 707,274	6	$ 939,962	8	$ 607,008	6
Short-term bills payable (Notes 19, 28 and 32)	339,659	3	329,513	3	99,881	1
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	5	-	637	-	-	-
Financial liabilities for hedging - current (Notes 4 and 30)	39	-	218	-	-	-
Contract liabilities (Notes 4, 25 and 31)	526,788	5	117,745	1	239,865	2
Notes payable (Note 20)	37	-	24	-	26	-
Accounts payable (Note 20)	642,336	6	898,218	8	761,542	8
Other payables (Notes 21 and 28)	262,853	3	393,148	4	283,635	3
Lease liabilities - current (Notes 4, 15 and 28)	7,997	-	5,473	-	6,392	-
Current portion of long-term borrowings (Notes 19, 28 and 32)	243,626	2	218,604	2	1,044,500	10
Other current liabilities	10,357	-	7,579	-	7,141	-
Total current liabilities	2,740,971	25	2,911,121	26	3,049,990	30
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19, 28 and 32)	1,800,677	16	1,931,346	17	1,444,283	15
Provisions (Note 4)	19,266	-	17,140	-	16,651	-
Deferred tax liabilities (Note 4)	72	-	628	-	445	-
Lease liabilities - non- current (Notes 4, 15 and 28)	7,358	-	5,396	-	769	-
Preferred stock liabilities - non-current (Notes 4 and 23)	287,949	3	287,949	3	287,949	3
Guarantee deposits received (Note 28)	28,000	-	3,705	-	3,705	-
Total non-current liabilities	2,143,322	19	2,246,164	20	1,753,802	18
Total liabilities	4,884,293	44	5,157,285	46	4,803,792	48
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital	4,762,967	42	4,762,967	42	4,457,967	45
Capital surplus	1,325,024	12	1,325,024	12	800,321	8
Retained earnings						
Legal reserve	4,632	-	4,632	-	-	-
Special reserve	41,685	1	41,685	-	-	-
Unappropriated earnings	363,516	3	187,411	2	75,194	1
Total retained earnings	409,833	4	233,728	2	75,194	1
Other equity	(170,945)	(2)	(171,049)	(2)	(153,583)	(2)
Total equity attributable to owners of the Company	6,326,879	56	6,150,670	54	5,179,899	52
NON-CONTROLLING INTERESTS	2,992	-	95	-	95	-
Total equity	6,329,871	56	6,150,765	54	5,179,994	52
TOTAL	$ 11,214,164	100	$ 11,308,050	100	$ 9,983,786	100

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

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25, 31 and 37)	$ 2,178,973	100	$ 2,005,719	100
OPERATING COSTS (Notes 10, 22 and 25)	1,970,258	90	1,861,728	93
GROSS PROFIT	208,715	10	143,991	7
UNREALIZED LOSS ON TRANSACTIONS WITH ASSOCIATES	-	-	(2,346)	-
REALIZED LOSS ON TRANSACTIONS WITH ASSOCIATES	(29)	-	-	-
REALIZED GROSS PROFIT	208,686	10	141,645	7
OPERATING EXPENSES (Notes 22, 25 and 31)				
Selling and marketing	23,753	1	23,332	1
General and administrative	63,098	3	44,210	2
Research and development	11,433	1	9,603	1
Expected credit loss recognized on accounts receivable (Note 9)	632	-	905	-
Total operating expenses	98,916	5	78,050	4
PROFIT FROM OPERATIONS	109,770	5	63,595	3
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 25)	(16,727)	(1)	(18,116)	(1)
Share of profit or loss of associates	48,089	2	(3,765)	-
Interest income (Note 25)	4,669	-	1,010	-
Rental income (Note 31)	7,984	1	5,668	-
Other income (Note 31)	2,539	-	2,270	-
Foreign exchange loss, net (Note 25)	(7,518)	-	(29,789)	(1)
Gains on financial assets (liabilities) at fair value through profit or loss	2,873	-	2,488	-
Total non-operating income and expenses	41,909	2	(40,234)	(2)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	151,679	7	23,361	1
INCOME TAX BENEFIT (Notes 4 and 26)	24,423	1	5,516	1
NET PROFIT	176,102	8	28,877	2

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 24)	$ 17	-	$ 21,370	1
Gain or loss on hedging instruments subject to basis adjustment (Note 24)	(20)	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	(36)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations (Note 24)	(69)	-	250	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	13	-	(50)	-
Other comprehensive (loss) income for the period, net of income tax	(95)	-	21,570	1
TOTAL COMPREHENSIVE INCOME	$ 176,007	8	$ 50,447	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 176,105	8	$ 28,877	1
Non-controlling interests	(3)	-	-	-
	$ 176,102	8	$ 28,877	1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 176,010	8	$ 50,447	3
Non-controlling interests	(3)	-	-	-
	$ 176,007	8	$ 50,447	3
EARNINGS PER SHARE (Note 27)				
Basic	$ 0.37		$ 0.06	
Diluted	$ 0.37		$ 0.06	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company (Note 23)											
	Share Capital			Retained Earnings			Other Equity					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Gain (Loss) on Investments in Equity	(Loss) Gain on Hedging Instruments	Total	Non-controlling Interests (Notes 12 and 24)	Total Equity
BALANCE AT JANUARY 1, 2022	445,797	$ 4,457,967	$ 800,321	$ -	$ -	$ 46,317	$ (869)	$ (174,284)	$ -	$ 5,129,452	$ 95	$ 5,129,547
Net profit for the three months ended March 31, 2022	-	-	-	-	-	28,877	-	-	-	28,877	-	28,877
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	200	21,370	-	21,570	-	21,570
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	28,877	200	21,370	-	50,447	-	50,447
BALANCE AT MARCH 31, 2022	445,797	$ 4,457,967	$ 800,321	$ -	$ -	$ 75,194	$ (669)	$ (152,914)	$ -	$ 5,179,899	$ 95	$ 5,179,994
BALANCE AT JANUARY 1, 2023	476,297	$ 4,762,967	$ 1,325,024	$ 4,632	$ 41,685	$ 187,411	$ (234)	$ (170,641)	$ (174)	$ 6,150,670	$ 95	$ 6,150,765
Increase in non-controlling interests, net	-	-	-	-	-	-	-	-	-	-	2,900	2,900
Basis adjustment of hedging instruments	-	-	-	-	-	-	-	-	199	199	-	199
Net profit (loss) for the three months ended March 31, 2023	-	-	-	-	-	176,105	-	-	-	176,105	(3)	176,102
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(56)	17	(56)	(95)	-	(95)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	176,105	(56)	17	(56)	176,010	(3)	176,007
BALANCE AT MARCH 31, 2023	476,297	$ 4,762,967	$ 1,325,024	$ 4,632	$ 41,685	$ 363,516	$ (290)	$ (170,624)	$ (31)	$ 6,326,879	$ 2,992	$ 6,329,871

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

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain before income tax	$ 151,679	$ 23,361
Adjustments for:		
Depreciation	188,669	138,236
Amortization	674	385
Expected credit loss recognized on accounts receivable	632	905
Net gain on fair value changes of financial instruments at fair value through profit or loss	(2,873)	(2,488)
Finance costs	16,727	18,116
Interest income	(4,669)	(1,010)
Share of (loss) profit of subsidiaries and associates	(48,089)	3,765
Unrealized gain on transactions with associates	-	2,346
Loss on inventories valuation and obsolescence	133,268	-
Realized loss on transactions with associates	29	-
Net loss on foreign currency exchange	3,659	12,506
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,241	21
Accounts receivable	203,272	19,757
Accounts receivable from related parties	9,498	69,717
Other receivables	2,055	(580)
Other receivables from related parties	603	(359)
Inventories	191,151	398,832
Other current assets	(204,176)	(189,491)
Contract liabilities	409,043	(54,367)
Notes payable	13	26
Accounts payable	(255,669)	(246,861)
Other payables	(110,228)	(27,018)
Provisions	2,126	1,956
Other current liabilities	2,778	713
Cash generated from operations	692,413	168,468
Interest received	3,291	674
Finance costs paid	(12,433)	(20,065)
Income tax paid	(318)	(2)
Net cash generated from operating activities	682,953	149,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(41,626)	-
Proceeds from sale of financial liabilities for hedging	(199)	-
Payments for property, plant and equipment (Note 28)	(380,549)	(500,766)
Increase in refundable deposits	-	(350)

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	**2022**
Decrease in refundable deposits	$ 445	$ -
Payments for intangible assets	(1,235)	-
Decrease in other financial assets - restricted assets	156,544	1,948
Net cash used in investing activities	(266,620)	(499,168)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(232,688)	(8,096)
Increase in short-term bills payable	10,146	99,881
Proceeds from long-term borrowings	-	227,400
Repayments of long-term borrowings	(105,647)	(292,025)
Increase in guarantee deposits received	24,295	-
Repayments of the principal portion of lease liabilities	(2,624)	(3,550)
Increase in non-controlling interests	2,900	-
Net cash (used in) generated from financing activities	(303,618)	23,610
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(2,933)	7,503
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	109,782	(318,980)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	837,804	1,057,382
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 947,586	$ 738,402

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

TSEC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

TSEC Corporation (the "Company") was incorporated on June 24, 2010. The Company is mainly engaged in the design, manufacture, construction and sale of solar cells, modules and power plants.

The Company's shares have been listed on the Taiwan Stock Exchange since October 1, 2015.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the Group, are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 9, 2023.

3. APPLICATION OF NEW, AMENDMENTS AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

See Notes 12 and 36 of Table 4 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

<u>Income tax expense</u>

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications/climate change and related government policies and regulations when making its critical accounting estimates on cash flow projections, growth rate, discount rate, and other relevant material estimates, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The management of the Group evaluated that there were no critical accounting judgments or estimation uncertainty on the accounting policies, estimates and basic assumptions that were adopted by the Group.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	$ 609	$ 609	$ 609
Checking accounts and demand deposits	752,916	686,570	660,987
Cash equivalents			
Time deposits with original maturities of 3 months or less	194,061	150,625	76,806
	$ 947,586	$ 837,804	$ 738,402

The market interest rate intervals of demand deposits and time deposits with maturities of 3 months or less at the end of reporting period were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Demand deposits	0.001%-1.25%	0.05%-1.05%	0.001%-0.08%
Time deposits with original maturities of 3 months or less	1.10%-4.88%	1.70%-4.70%	0.56%-1.065%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets - mandatorily at FVTPL			
Derivative financial instruments (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ -	$ 2,224
Financial liabilities - held for trading			
Derivative financial instruments (not under hedge accounting)			
Foreign exchange forward contracts	$ 5	$ 637	$ -

At the end of the period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2023			
Buy	USD/NTD	2023.04.25	USD227/NTD6,911
	USD/NTD	2023.04.10	USD285/NTD8,712
	USD/NTD	2023.04.10	USD610/NTD18,497
December 31, 2022			
Buy	USD/NTD	2023.01.10	USD1,000/NTD31,242
	USD/NTD	2023.01.10	USD790/NTD24,447
	USD/NTD	2023.01.10	USD1,000/NTD30,532
March 31, 2022			
Buy	USD/NTD	2022.04.11	USD892/NTD24,759
	USD/NTD	2022.04.15	USD896/NTD24,925
	USD/NTD	2022.08.05	USD1,024/NTD28,530

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The purpose of its financial hedging strategy is to hedge against most of the market price risk.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits with original maturities of more than 3 months	$ 41,626	$ -	$ -

As of March 31, 2023, the interest rates were 1.29%-1.57%.

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 980,052	$ 1,183,321	$ 767,161
Less: Allowance for impairment loss	(19,023)	(18,391)	(30,457)
	$ 961,029	$ 1,164,930	$ 736,704
Accounts receivable from related parties	$ -	$ 9,498	$ 18,767
Other receivables			
Value added tax rebate	$ 8,343	$ 8,415	$ 8,422
Rent receivables	2,524	5,408	3,764
Others	3,979	1,626	722
	$ 14,846	$ 15,449	$ 12,908

a. Accounts receivable/accounts receivable from related parties

The average credit period of accounts receivable is 30-75 days. No interest is charged on accounts receivable. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer’s current financial position, economic condition of the industry in which the customer operates, as well as industry outlook. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

March 31, 2023

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 120 Days	Individual Assessment	Total
Expected credit loss rate	0%	0%	-	-		
Gross carrying amount	$ 924,209	$ 36,820	$ -	$ -	$ 19,023	$ 980,052
Loss allowance (Lifetime ECLs)	-	-	-	-	(19,023)	(19,023)
Amortized cost	$ 924,209	$ 36,820	$ -	$ -	$ -	$ 961,029

December 31, 2022

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 120 Days	Individual Assessment	Total
Expected credit loss rate	0.30%	4.87%	-	-		
Gross carrying amount	$ 1,160,338	$ 13,458	$ -	$ -	$ 19,023	$ 1,192,819
Loss allowance (Lifetime ECLs)	(3,467)	(656)	-	-	(14,268)	(18,391)
Amortized cost	$ 1,156,871	$ 12,802	$ -	$ -	$ 4,755	$ 1,174,428

March 31, 2022

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.30%	4.88%	-	100%	
Gross carrying amount	$ 757,155	$ 568	$ -	$ 28,205	$ 785,928
Loss allowance (Lifetime ECLs)	(2,224)	(28)	-	(28,205)	(30,457)
Amortized cost	$ 754,931	$ 540	$ -	$ -	$ 755,471

The movements of the loss allowance of receivable were as follows:

	For the Three Months Ended March 31	
	2023	2022
Balance, beginning of period	$ 18,391	$ 29,552
Add: Net remeasurement of loss allowance	632	905
Balance, end of period	$ 19,023	$ 30,457

Refer to Note 30.d for details of the Group's concentration of credit risk of receivables as of March 31, 2023, December 31, 2022 and March 31, 2022.

b. Other receivables

The Group adopted a policy of dealing only with creditworthy counterparties. The Group determines whether credit risk has increased significantly since initial recognition and measures the loss allowance for other receivables by continuous monitoring of the debtor, with reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group assessed that the expected credit loss rate of other receivables was 0%.

10. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	$ 472,965	$ 958,385	$ 679,884
Finished goods	744,786	608,353	405,287
Work in process	157,151	132,583	88,137
	$ 1,374,902	$ 1,699,321	$ 1,173,308

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2023	2022
Cost of inventories sold	$ 1,832,538	$ 1,849,518
Inventory write-downs	133,268	-
Others	4,452	12,210
	$ 1,970,258	$ 1,861,728

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2023	December 31, 2022	March 31, 2022
Non-current			
Foreign investments			
Unlisted shares			
Preferred shares - SAGA Heavy Ion Medical Accelerator in Tosu	$ -	$ -	$ 5,901
Domestic investments			
Unlisted shares			
Ordinary shares - Eversol Corporation	-	-	-
	$ -	$ -	$ 5,901

For investment purposes, the Company disposed of its overseas equity in SAGA Heavy Ion Medical Accelerator in Tosu, Japan. The proceeds the Company received from the disposal of its overseas equity in July 2022 was $7,504 thousand. Therefore, the relevant other equity-FVOCI unrealized valuation loss of $2,239 was transferred to retained earnings.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Investor	Name of Subsidiary	Main Businesses	Percentage of Ownership (%) March 31, 2023	Percentage of Ownership (%) December 31, 2022	Percentage of Ownership (%) March 31, 2022
TSEC Corporation	TSEC America, Inc. (Note 1)	Sales of solar related products	100.00	100.00	100.00
	Houchang Energy Corporation (Note 3)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	Changyang Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	80.00	80.00	80.00
TSEC Corporation	Yunsheng Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	Yunxing Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	TSECPV (HK) LIMITED	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	Hengli Energy Corporation (Note 2)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	Yuanjin Chuangneng Co., Ltd. (Note 4)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	90.00	-	-
Hou Chang Energy Corporation	Hengyong Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	100.00	100.00	100.00
	Hengli Energy Corporation (Note 2)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters.	-	-	-
	Yongli Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00

1) On September 11, 2018, the Group resolved to liquidate and dissolve its subsidiary TSEC America, Inc. As of May 9, 2023, TSEC America, Inc. has yet to execute its liquidation process.

2) The Company purchased the entire equity of Hengli Energy Corporation from its subsidiary Hou Chang Energy Corporation by $89 thousand in March 2022, the shareholding ratio was 100% after acquired.

3) The Company invested $120,000 thousand in the capital of its subsidiary Hou Chang Energy Corporation in June 2022, and the shareholding ratio unchanged.

4) The Company established Yuanjin Chuangneng Co., Ltd. in February 2023, it is engaged in the power development, operation and sales of solar power generation systems and other related businesses, and the registration has been completed.

Refer to Note 36 of Table 4 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2023	December 31, 2022	March 31, 2022
Material associates			
Holdgood Energy Development Corporation	$ 242,690	$ 231,410	$ 236,443
Yuan-Yu Solar Energy Co., Ltd.	131,009	-	-
Associates that are not individually material			
Yuan-Yu Solar Energy Co., Ltd.	-	94,212	102,333
	$ 373,699	$ 325,622	$ 338,776

a. Material associate

	Proportion of Ownership and Voting Rights		
Name of Associate	**March 31, 2023**	**December 31, 2022**	**March 31, 2022**
Holdgood Energy Development Corporation	45.49%	45.49%	45.49%
Yuan-Yu Solar Energy Co., Ltd.	20%	-	-

b. Associates that are not individually material

The percentage of the Group’s shareholding in affiliates at the balance sheet date is as follows:

	Proportion of Ownership and Voting Rights		
Name of Associate	**March 31, 2023**	**December 31, 2022**	**March 31, 2022**
Yuan-Yu Solar Energy Co., Ltd.	-	20%	20%

The nature, principal place of business and country information of Company registration of above-mentioned associate, refer to Note 36 of Table 4.

The Company using equity method to evaluate associate above-mentioned.

Refer to Note 32 for the merged company issued the equity of Yuanyu Company to the financial bank as collateral for Yuanyu Company’s financing.

The share of profit or loss of the Group’s associate accounted for using the equity method, Holdgood and Yuan-Yu Solar Energy Co., Ltd., for the three months ended March 31, 2023 was based on the associate’s audited financial statements.

The share of profit or loss of the Group’s associate accounted for using the equity method, Holdgood Energy Development Corporation, for the year ended December 31, 2022 and 2021 was based on the associate’s audited financial statements for the same year, and Yuan-Yu Solar Energy Co., Ltd. was based on the financial statements that have not been audited by accountants; the management considered that if the financial statements were audited by accountants, the adjustment amount will not have a significant impact on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Land	$ 1,071,526	$ 1,071,526	$ 1,071,526
Buildings	2,253,010	2,228,228	2,277,653
Machinery	1,454,884	1,504,376	1,308,173
Office equipment	134	144	252
Miscellaneous equipment	104,067	107,648	44,973
Construction in progress	510,103	530,800	217,078
	$ 5,393,724	$ 5,442,722	$ 4,919,655

	Land	Buildings	Machinery	Office Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2023	$ 1,071,526	$ 3,477,828	$ 3,192,654	$ 24,917	$ 344,535	$ 530,800	$ 8,642,260
Additions	-	7,864	91,069	-	3,477	31,669	134,079
Reclassification	-	52,366	-	-	-	(52,366)	-
Balance at March 31, 2023	1,071,526	3,538,058	3,283,723	24,917	348,012	510,103	8,776,339
Accumulated depreciation and impairment							
Balance at January 1, 2023	-	1,249,600	1,688,278	24,773	236,887	-	3,199,538
Depreciation expense	-	35,448	140,561	10	7,058	-	183,077
Balance at March 31, 2023	-	1,285,048	1,828,839	24,783	243,945	-	3,382,615
Carrying amount at March 31, 2023	$ 1,071,526	$ 2,253,010	$ 1,454,884	$ 134	$ 104,067	$ 510,103	$ 5,393,724
Carrying amount at December 31, 2021 and January 1, 2023	$ 1,071,526	$ 2,228,228	$ 1,504,376	$ 144	$ 107,648	$ 530,800	$ 5,442,722
Cost							
Balance at January 1, 2022	$ 1,071,526	$ 3,414,260	$ 3,236,862	$ 24,806	$ 263,933	$ 64,974	$ 8,076,361
Additions	-	3,700	11,992	-	5,613	156,704	178,009
Reclassification	-	4,600	-	-	-	(4,600)	-
Balance at March 31, 2022	1,071,526	3,422,560	3,248,854	24,806	269,546	217,078	8,254,370
Accumulated depreciation and impairment							
Balance at January 1, 2022	-	1,109,070	1,849,304	24,323	220,560	-	3,203,257
Depreciation expense	-	35,837	91,377	231	4,013	-	131,458
Balance at March 31, 2022	-	1,144,907	1,940,681	24,554	224,573	-	3,334,715
Carrying amount at March 31, 2022	$ 1,071,526	$ 2,277,653	$ 1,308,173	$ 252	$ 44,973	$ 217,078	$ 4,919,655

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Building improvement	3-20 years
Machinery	3-20 years
Office equipment	3-5 years
Miscellaneous equipment	2-15 years

Refer to Note 33 for the details on the purchases of machines required for production and the significant commitments stated in the construction contracts.

Refer to Notes 19 and 32 for the carrying amounts of property, plant and equipment pledged by the Group to secure borrowings as of March 31, 2023, December 31, 2022 and March 31, 2022.

Refer to Note 25.h for capitalized interest for the three months ended March 31, 2023 and 2022.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Buildings	$ 13,885	$ 10,770	$ 6,380
Transportation equipment	1,338	-	218
Machinery	-	-	118
	$ 15,223	$ 10,770	$ 6,716

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	$ 7,110	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 2,441	$ 3,136
Transportation equipment	216	325
Machinery	-	179
	$ 2,657	$ 3,640

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Current	$ 7,997	$ 5,473	$ 6,392
Non-current	$ 7,358	$ 5,396	$ 769

Ranges of discount rates for lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	2.43%-3.06%	2.33%-2.43%	2.43%-2.78%
Transportation equipment	3.06%	-	2.94%
Machinery	-	-	2.78%

c. Material leasing activities and terms

The Group leases certain buildings and cars, for the use of offices, office car and employee dormitories with lease terms of 2 to 3 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 1,721	$ 1,380
Total cash outflow for leases	$ (4,464)	$ (5,101)

The Group's leases of certain parking space and staff dorm qualify as short-term leases and leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2023 and March 31, 2023	$ 295,084
Accumulated depreciation	
Balance at January 1, 2023	131,925
Depreciation expenses	2,935
Balance at March 31, 2023	134,860
Carrying amount at March 31, 2023	$ 160,224
Carrying amount at December 31, 2021 and January 1, 2023	$ 163,159

(Continued)

	Buildings
Cost	
Balance at January 1, 2022 and March 31, 2022	$ 295,084
Accumulated depreciation	
Balance at January 1, 2022	119,824
Depreciation expenses	3,138
Balance at March 31, 2022	122,962
Carrying amount at March 31, 2022	$ 172,122

(Concluded)

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main building of plant	50 years
Plant improvement	3-20 years

The investment properties are leased out for 4 years, and the lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	$ 48,000	$ 43,705	$ 20,378
Year 2	48,000	48,000	-
Year 3	44,000	48,000	-
Year 4	-	8,000	-
	$ 140,000	$ 147,705	$ 20,378

The fair value of the investment properties was not evaluated by independent qualified professional valuers, the Group management only adopted evaluation models commonly used by market participants, and measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The fair value as appraised was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value	$ 441,246	$ 441,246	$ 194,348

All of the Group’s investment properties were held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 32.

There was no capitalized interest for the investment properties for the three months ended March 31, 2023 and 2022.

17. OTHER INTANGIBLE ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Computer software	$ 5,269	$ 4,708	$ 3,869

	For the Three Months Ended March 31	
	2023	2022
Cost		
Balance at January 1	$ 54,004	$ 51,695
Additions	1,235	-
Balance at March 31	55,239	51,695
Accumulated amortization		
Balance at January 1	49,296	47,441
Amortization expense	674	385
Balance at March 31	49,970	47,826
Carrying amount at March 31	$ 5,269	$ 3,869

Computer software is amortized on a straight-line basis over 1-4 years.

18. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Prepayments	$ 306,026	$ 114,485	$ 405,305
Prepayment expenses	37,231	35,828	26,101
Other financial assets	10,000	134,929	501
Others	24,519	13,287	1,747
	$ 377,776	$ 298,529	$ 433,654
Non-current			
Prepayments for equipment (capitalized interest included)	$ 1,014,265	$ 791,563	$ 912,285
Refundable deposits	181,606	182,051	180,420
Other financial assets - restrict assets	90,188	123,282	99,402
	$ 1,286,059	$ 1,096,896	$ 1,192,107

Other financial assets - restricted assets (current and non-current) were used as pledged deposits and reserve accounts for secured borrowings from banks, performance guarantee and borrowings for purchases. As of March 31, 2023, December 31, 2022 and March 31, 2022, the interest rate range was 0.53%-3.5%, 0.2%-3.5% and 0.03%-1.40%, respectively; refer to Note 32 for the details.

19. BORROWINGS

a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Bank credit loans	$ 707,274	$ 939,962	$ 607,008
Interest rate interval			
Bank credit loans	2.42%-2.87%	2.21%-2.87%	1.52%-2.52%

b. Short-term bills payable

Outstanding short-term bills payable were as follows:

March 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 23	$ 29,977	2.138%	Machinery
Mega Bills Finance Co., Ltd	50,000	41	49,959	2.138%	Machinery
Taiwan Cooperative Bills Finance Corporation	30,000	23	29,977	2.138%	Machinery
Taiwan Cooperative Bills Finance Corporation	50,000	41	49,959	2.138%	Machinery
International Bills Finance Corporation	80,000	63	79,937	2.098%	None
China Bills Finance Corporation	50,000	75	49,925	2.098%	None
China Bills Finance Corporation	50,000	75	49,925	2.098%	None
	$ 340,000	$ 341	$ 339,659		

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 50,000	$ 103	$ 49,897	2.218%	Machinery
Mega Bills Finance Co., Ltd	50,000	60	49,940	2.288%	Machinery
Taiwan Cooperative Bills Finance Corporation	50,000	103	49,897	2.218%	Machinery
Taiwan Cooperative Bills Finance Corporation	50,000	60	49,940	2.288%	Machinery
International Bills Finance Corporation	30,000	32	29,968	2.288%	None
China Bills Finance Corporation	50,000	38	49,962	2.138%	None
China Bills Finance Corporation	50,000	91	49,909	2.138%	None
	$ 330,000	$ 487	$ 329,513		

March 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills Finance Corporation	$ 50,000	$ 49	$ 49,951	1.64%	Machinery
International Bills Finance Corporation	50,000	70	49,930	1.76%	Machinery
	$ 100,000	$ 119	$ 99,881		

Guarantees provided for the above short-term bills payable are disclosed in Note 32.

c. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Secured borrowings			
Syndicated loans	$ 1,312,000	$ 1,344,000	$ 2,305,910
Less: Syndicated borrowing administration fee	(8,837)	(9,846)	(13,039)
	1,303,163	1,334,154	2,292,871
Bank mortgage loans	741,140	815,796	195,912
	2,044,303	2,149,950	2,488,783
Less: Current portion	(243,626)	(218,604)	(1,044,500)
Long-term borrowings	$ 1,800,677	$ 1,931,346	$ 1,444,283

1) Syndicated loans

a) In November 2020, the Group signed a syndicated loan contract led by Taiwan Cooperative Bank. The main purpose of the syndicated loan contract is to refinance the outstanding syndicated loans obtained from the syndicate of banks led by Chang Hwa Bank in September 2015 and the syndicate of banks led by Taiwan Cooperative Bank and Taiwan Business Bank in August 2016, as well as for supporting long term working capital needs. The total loan amount was $2,000,000 thousand, and the loan period is till November 2025. The first repayment is made 3 months after the date of initial drawdown (1st period), and subsequent repayments of the principal are made once every period (three months = 1 period), for a total of 20 periods. In the first to twelfth periods, 2% of the principal should be repaid, in the thirteenth to nineteenth periods, 4% of the principal should be repaid, and the remaining amount should be repaid in the last period. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance was $1,312,000 thousand, $1,344,000 thousand and $1,440,000 thousand, respectively. As of March 31, 2023 and December 31, 2022, the interest rate was 3.2737%, 3.098% and 2.49%, respectively; the balance of short-term bills payable was $160,000 thousand and $200,000 thousand, respectively, and the interest rate was 2.138%, 2.218%-2.288%, respectively.

   During the loan period, the Group should maintain the current ratio, net debt ratio, interest coverage ratio, and net value of tangible assets in accordance with the contract. If any of the aforementioned ratios was not fulfilled per the contract, the Group should try to improve the ratios by increasing cash capital through the issuance of shares or through other means, and should make a one-time payment of 0.20% the utilized but unpaid loan amount to the managing bank. If from the date the financial statements were issued till the date the next semi-annual or annual financial statements were issued, improvements were made such that the required ratios are attained, the Group would be viewed as not in breach of the financial commitments of the contract.

b) In February 2018, the Group signed a syndicated loan contract led by Chang Hwa Bank. The syndicated loan is mainly used for financing the construction of the solar module factory and the purchase of equipment. The total loan amount was $1,250,000 thousand, including a land financing limit of $500,000 and a factory financing limit of $750,000. And the loan period is till February 2023. The first repayment is made 24 months after the date of initial drawdown (1st period), and subsequent repayments of the principal are made once every period (six months = 1 period), for a total of 7 periods. In the first to fourth periods, 5% of the principal should be repaid, in the fifth and sixth periods, 10% of the principal should be repaid, and the remaining amount should be repaid in the last period. As of March 31, 2023, the balance was $865,910 thousand, and the interest rate was 2.29%, respectively; the syndicated loan contract has paid off in advance in December 2022.

   During the loan period, the Group should maintain the current ratio, debt ratio, interest coverage ratio, net value of tangible assets and actual revenue according to the contract. If any of the aforementioned ratios were not fulfilled according to the contract, in addition to compensating Chang Hwa Bank, the Group should provide documents that show concrete evidence of improvements being made to the financial ratios to the managing bank immediately. If from the date the financial statements were issued till the date the next semi-annual or annual financial statements were issued, improvements were made such that the required ratios are attained, the Group would be viewed as not in breach of the financial commitments of the contract.

2) The contract period of the bank mortgage loan is from 3 years to 6 years and 6 months, and the principal and interest are repaid monthly.

	March 31, 2023	December 31, 2022	March 31, 2022
Interest rate interval	1.60%-2.10%	1.35%-2.88%	1.35%-2.41%

For guarantees provided by the Company for long-term borrowings, refer to Note 32.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2023	December 31, 2022	March 31, 2022
Notes payable - operating	$ 37	$ 24	$ 26
Accounts payable - operating	$ 642,336	$ 898,218	$ 761,542

The average credit period for purchases was 60 to 90 days. The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

21. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Other payables			
Payables for salaries or bonuses	$ 61,209	$ 151,828	$ 101,243
Payables for transportation and customs clearance	35,672	37,403	43,768
Payables for purchases of equipment	20,051	55,577	20,843
Payables for labor and health insurance	21,909	12,340	16,952
Payables for labor costs	7,402	7,655	7,605
Payables for environmental cost	7,764	9,232	6,046
Payables for value-added tax	-	11,123	3,822
Others	108,846	107,990	83,356
	$ 262,853	$ 393,148	$ 283,635

22. RETIREMENT BENEFIT PLANS

Defined Contribution Plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Three Months Ended March 31	
	2023	2022
Operating costs	$ 9,246	$ 7,508
Operating expenses	1,458	1,399
	$ 10,704	$ 8,907

23. CONVERTIBLE PREFERRED STOCK

On April 7, 2021, the Company's shareholders approved to issue 75,000 thousand shares of convertible preferred stock (Preferred A) with par value of $10 through private placement. On November 18, 2021, the Company's board of directors approved the issuance of 25,895 thousand shares of the Preferred A stock at a price of $23.75 per share. The Company collected the total amount of $615,000 thousand on December 2, 2021, and completed the registration of the share issuance. Subject to the conditions of the issuance, the preferred shares were split into preferred stock liability of $287,949 thousand (included in non-current liabilities) and conversion options of $327,051 thousand (included in capital surplus). The rights and obligations of the preferred stock in this issuance are as follows:

a. The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated unappropriated dividend shall be appropriated to class A preferred shares in the first priority. If there were no earnings or earnings that were not sufficient to be appropriated to class A preferred shares, the distributable earnings shall be appropriated to class A preferred shares. The dividend deficiency shall be made up in a profitable year or quarter subsequently in the first priority.

b. The annual dividend rate of class A preferred shares was 2% which was calculated at the issuance price per share and paid in cash, the ex-dividend date of the preferred dividend was authorized to be determined by the board of directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

c. If the expected dividend distribution amount of common shares exceeds the dividend amount of class A preferred shares in the current year, the shareholders of class A preferred shares can participate in the distribution.

d. Except for the aforementioned dividend, the shareholders of class A preferred shares can participate in the appropriation of earnings and reserves to shareholders of common shares of preference shares.

e. Class B preferred shares were promised to be transferred to common shares on the day following the third anniversary of the issue.

f. Class A preferred stock is non-voting, except during the preferred shareholders' meetings and on matters regarding the shareholders' rights and obligations.

g. When it comes to appropriate over common shares residual assets of the Company, class A preferred shares have priority preferred shares. However, the amount was limited to the issuance price plus the total amount of unpaid dividends.

h. The issuance period of class A preferred shares was no period, the shareholders of class A preferred shares did not have the right to demand the Company call back class A preferred shares. However, on the date after years of the issuance date, the Company can call back all or some of class A preferred shares at the actual issuance price in cash or other ways which were permitted by regulations. The rights and obligations of class A preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class A preferred shares, if the Company's shareholders resolve to appropriate dividends, the amounts of dividends which have to be the number of actual distribute d as of the date of call back will be calculated according to issuance days in the current year.

i. The preemptive rights for stockholders of class A preferred stocks are the same as those of common stocks when the Company increases its capital by issuing shares.

j. When class A preferred shares meet the condition of call back or mature in the issuance period, if the Company cannot call back all or some class A preferred shares due to force majeure or inscrutable fault of the Company, the rights of class A preferred shares which have not been called back will continue according to aforementioned issuance conditions until the Company calls back all the class A preferred shares. The dividends will be calculated according to the original annual rate and actual extension period, and the rights of class A preferred shares shall not be diminished according to the Company's articles of incorporation.

On March 7, 2022, the Company's board of directors resolved that the offering of the remaining 49,105 thousand shares will not be continued.

24. EQUITY

a. Share capital - ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Shares authorized (in thousands of shares)	700,000	700,000	700,000
Shares authorized	$ 7,000,000	$ 7,000,000	$ 7,000,000
Shares issued and fully paid (in thousands of shares)	476,297	476,297	445,797
Shares issued and fully paid	$ 4,762,967	$ 4,762,967	$ 4,457,967

The par value of the issued ordinary shares is NT$10. Each share entitles its holder to the right to vote and to receive dividends. And released convertible preferred stock (Preferred A) through private placement 25,895 thousand shares, please refer to Note 23.

The Company issued 30,500 thousand ordinary shares with a par value of $10, for a consideration of $26.5 per share which increased the share capital issued and fully paid to $808,250 thousand and release shares increased to 476,297 thousand shares on July 13, 2022. The Company completed its registration on August 4, 2022.

Of the authorized capital, a total of 5,000 thousand shares should be reserved for employee share option certificates, which should be issued in batches in accordance with the resolution of the board of directors.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	$ 991,729	$ 991,729	$ 473,270
Expired employee share options	6,233	6,233	-
May be used to offset a deficit only			
Changes in percentage of ownership interest in invested company accounted for using the equity method	11	11	-
May not be used for any purpose			
Preferred stock conversion rights (Note 23)	327,051	327,051	327,051
	$ 1,325,024	$ 1,325,024	$ 800,321

The capital surplus from shares issued in excess of par and donations could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's amended Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 25.f.

In addition, in accordance with the dividend policy as stated in the Company's Articles, dividends shall be distributed in an appropriate manner based on the Company's future capital budget and funding needs. Dividends shall be distributed in the form of cash or shares, with the percentage of cash dividends not less than 10% of the total dividends distributed.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021, which were proposed by the Company's board of directors on March 8, 2023, and were approved by the Company's shareholders' meetings on June 9, 2022, were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	$ 18,741	$ 4,632
Propose special reserve	$ 129,364	$ 41,685
Cash dividends	$ 37,664	$ -
Cash dividend per dollar (NT$)	$ 0.075	$ -

The appropriation of earnings for 2022 will be resolved in the shareholders' meeting to be held on May 24, 2023.

The board of directors held a meeting on March 8, 2023 and proposed the distribution of cash dividends, $0.025 per share, from capital surplus - stock issuance premium of NT$12,555 thousand. The distribution of cash dividends is subject to the resolution of the shareholders to be held in their meeting scheduled in May 24 2023.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ (234)	$ (869)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(69)	250
Income tax relating to items that may be reclassified subsequently to profit or loss	13	(50)
Balance at March 31	$ (290)	$ (669)

2) Unrealized gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ (170,641)	$ (174,284)
Recognized for the period		
Unrealized gain - equity instruments	17	(162)
Shares of subsidiaries accounted for using the equity method	-	21,532
Balance at March 31	$ (170,624)	$ (152,914)

3) Gain (loss) on hedging instruments

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	$ (174)	$ -
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk - foreign exchange forward contracts	(20)	-
Original carrying amount transferred to the hedged item		
Foreign currency risk - foreign exchange forward contracts	199	-
Related income tax	(36)	-
Balance at March 31	$ (31)	$ -

e. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ 95	$ 95
Attributable to non-controlling interests		
Net profit for the period	(3)	-
Increase in non-controlling interest by acquiring Yuanjin Chuangneng Co., Ltd.	2,900	-
Balance at March 31	$ 2,992	$ 95

25. NET INCOME

a. Operating revenue

1) Contract balance

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Accounts receivable (Note 8)	$ 961,029	$ 1,164,930	$ 736,704	$ 754,026
Accounts receivable from related parties (Note 30)	$ -	$ 9,498	$ 18,767	$ 88,484
Contract liabilities				
Sale of goods	$ 526,788	$ 117,745	$ 239,865	$ 294,232

Refer to Note 9 for the explanation of accounts receivable generated from contracts.

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group’s satisfaction of performance obligations and the respective customer’s payment.

2) Details of revenue from contracts with customers

Refer to Note 37.a. for further information about the details of revenue.

3) Partially completed contracts

The timing of revenue recognition for performance obligations that have not been completely.

	March 31, 2023	December 31, 2022	March 31, 2022
Sale of goods			
Obligations satisfied in 2022	$ -	$ -	$ 239,865
Obligations satisfied in 2023	526,788	117,745	-
	$ 526,788	$ 117,745	$ 239,865

b. Interest income

	December 31	
	2022	2021
Cash in banks	$ 3,905	$ 226
Financial assets at amortized cost	291	-
Other current financial assets	357	247
Other non-current financial assets	103	-
Others	13	537
	$ 4,669	$ 1,010

c. Depreciation and amortization expenses

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	$ 183,077	$ 131,458
Right-of-use assets	2,657	3,640
Investment properties	2,935	3,138
Intangible assets	674	385
	$ 189,343	$ 138,621
An analysis of depreciation by function		
Operating costs	$ 182,322	$ 130,923
Operating expenses	6,347	7,313
	$ 188,669	$ 138,236
An analysis of amortization by function		
Operating costs	$ 371	$ 220
Selling and marketing expenses	232	96
General and administrative expenses	66	66
Research and development expenses	5	3
	$ 674	$ 385

d. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2023	2022
Generating rental income of investment properties		
Depreciation expense	$ 2,935	$ 3,138
Tax expense	100	94
	$ 3,035	$ 3,232

e. Employee benefit expenses

	For the Three Months Ended March 31	
	2023	2022
Post-employment benefits		
Defined contribution plans (Note 22)	$ 10,704	$ 8,907
Payroll expenses	261,624	219,247
Labor and health insurance expenses	29,178	22,327
Other employee benefits	32,758	21,149
Total employee benefit expenses	$ 334,264	$ 271,630
An analysis of employee benefit expense by function		
Operating costs	$ 276,139	$ 229,638
Operating expenses	58,125	41,992
	$ 334,264	$ 271,630

f. Compensation of employees and remuneration of directors and supervisors

The Company accrued compensation of employees and remuneration of directors and supervisors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors, after offsetting accumulated deficits, if any.

The compensation of employees and remuneration of directors and supervisors for the three months ended March 31, 2023 and 2022 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	5.0%	5.0%
Remuneration of directors and supervisors	3.5%	0.5%

Amount

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	$ 8,289	$ 1,236
Remuneration of directors and supervisors	$ 5,802	$ 124

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the year ended December 31, 2022 and 2021, which were approved in the board of directors' meeting held on March 8, 2023 and March 14, 2022, respectively, were as follows:

Amount

	For the Year Ended December 31	
	2022	2021
Compensation of employees	$ 9,586	$ 2,392
Remuneration of directors and supervisors	6,710	1,440

There is no difference between the amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2023	2022
Foreign currency exchange gains	$ 15,721	$ 2,845
Foreign currency exchange losses	(23,239)	(32,634)
Net loss	$ (7,518)	$ (29,789)

h. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest expense	$ 22,579	$ 18,044
Interest on preferred stocks	4,086	3,075
Finance costs	1,422	1,723
Interest on lease liabilities	119	171
Others	79	196
Less: Capitalized interest	(11,558)	(5,093)
	$ 16,727	$ 18,116

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2023	2022
Capitalized interest	$ 11,558	$ 5,093
Capitalization rate	3.30%	2.33%

26. INCOME TAXES FROM CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax benefit (expense) are as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current period	$ -	$ -
Deferred tax		
In respect of the current period	24,423	5,516
Income tax benefit recognized in profit or loss	$ 24,423	$ 5,516

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2023	2022
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ 13	$ (50)
Cash flow hedges	(36)	-
	$ (23)	$ (50)

c. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	March 31	
	2023	2022
Loss carryforwards	$ 1,777,739	$ 2,679,891
Deductible temporary differences		
Impairment loss of financial assets	$ 1,705	$ 1,705

d. Information about unused loss carryforwards

Loss carryforwards as of March 31, 2023 comprised:

Unused Amount	Expiry Year
$ 83,859	2027
238,290	2028
89,609	2029
126,960	2030
320	2032
133	2033
$ 539,171	

Information on the above-mentioned unused loss carryforwards includes unused loss carryforwards which are not recognized in deferred income tax assets, which are as follows:

	March 31	
	2023	2022
Loss carryforwards		
Expiry in 2027	$ -	$ 81,119
Expiry in 2028	138,526	238,290
Expiry in 2029	89,609	89,609
Expiry in 2030	126,960	126,960
Expiry in 2032	320	-
Expiry in 2033	133	-
	$ 355,548	$ 535,978

e. Income tax assessments

The income tax returns of the Group through 2020 has been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared.

The income tax returns of Changyang Optoelectronics Corporation, Yunsheng Optoelectronics Corporation and Yunxing Optoelectronics Corporation, Houchang Energy Corporation, Hengyong Energy Corporation, Hengli Energy Corporation and Yongli Energy Corporation through 2021 have been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding that were used in the computation of earnings per share were as follows:

Net Earnings for the Period

	For the Three Months Ended March 31	
	2023	**2022**
Earnings used in the computation of basic and diluted earnings per share		
Earnings for the period attributable to owners of the Company	$ 176,105	$ 28,877

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	476,297	445,797
Effect of potentially dilutive ordinary shares		
Employee share options	400	78
Weighted average number of ordinary shares used in the computation of diluted earnings per share	476,697	445,875

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

As of March 31, 2023, the Group's outstanding preferred shares were not included in the calculation of weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share because the preferred stocks were not yet convertible to ordinary shares.

28. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2023 and 2022, the Group entered into the following non-cash investing activities:

	For the Three Months Ended March 31	
	2023	2022
Acquisition of property, plant and equipment	$ 134,079	$ 178,009
Net increase in prepayments for equipment	210,945	302,981
Net increase in payables for purchase of equipment	35,526	19,477
Effect of foreign currency exchange differences	(1)	299
Cash paid	$ 380,549	$ 500,766

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Non-cash Changes: Effect of Foreign Currency Exchange Differences	Others	Balance as of March 31, 2023
Short-term borrowings	$ 939,962	$ (232,688)	$ -	$ -	$ -	$ -	$ 707,274
Short-term bills payable	329,513	10,146	-	-	1,554	(1,554)	339,659
Long-term borrowings - current portion	218,604	(105,647)	-	130,669	-	-	243,626
Long-term borrowings	1,931,346	-	-	(130,669)	-	-	1,800,677
Guarantee deposits	3,705	24,295	-	-	-	-	28,000
Lease liabilities	10,869	(2,624)	7,110	-	119	(119)	15,355
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,721,948	$ (306,518)	$ 7,110	$ -	$ 1,673	$ (1,673)	$ 3,422,540

For the three months ended March 31, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Non-cash Changes: Effect of Foreign Currency Exchange Differences	Others	Balance as of March 31, 2022
Short-term borrowings	$ 598,972	$ (8,096)	$ -	$ -	$ 16,132	$ -	$ 607,008
Short-term bills payable	-	99,881	-	50	-	(50)	99,881
Long-term borrowings - current portion	412,623	(292,025)	923,902	-	-	-	1,044,500
Long-term borrowings	2,140,785	227,400	(923,902)	-	-	-	1,444,283
Guarantee deposits	3,705	-	-	-	-	-	3,705
Lease liabilities	10,711	(3,550)	-	171	-	(171)	7,161
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,454,745	$ 23,610	$ -	$ 221	$ 16,132	$ (221)	$ 3,494,487

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group will review the capital structure periodically according to the economic environment and business considerations. Based on the recommendations of the management, the Group will adjust the number of new shares issued or the amount of new debt issued in order to balance the overall capital structure.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 5	$ -	$ 5
Financial liabilities for hedging				
Derivatives	$ -	$ 39	$ -	$ 39

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 637	$ -	$ 637
Financial liabilities for hedging				
Derivatives	$ -	$ 218	$ -	$ 218

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 2,224	$ -	$ 2,224
Financial assets at FVTOCI				
Investments in equity instruments				
Overseas corporate unlisted shares	$ -	$ -	$ 5,901	$ 5,901

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 6,063
Recognized in other comprehensive income	
Unrealized gain of financial assets at FVTOCI	(162)
Balance at March 31	$ 5,901
Unrealized gain (loss) for the current period	$ (162)

4) Valuation techniques and assumptions applied for Level 3 fair value measurement

The fair values of overseas unlisted corporate equity investments are estimated using the market approach with reference to the net value as stated in the most recent financial statements of the investee company and based on the evaluation of similar companies and the operations of the investee company.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ -	$ -	$ 2,224
Financial assets at amortized cost (1)	2,239,351	2,460,944	1,795,550
Financial assets at FVTOCI			
Equity instruments	-	-	5,901
Financial liabilities			
Financial liabilities at FVTPL	5	637	-
Financial liabilities for hedging	39	218	-
Financial liabilities at amortized cost (2)	4,221,702	4,810,222	4,404,049

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost-current, accounts receivable, accounts receivable - related parties (profit), other accounts receivable (excluding tax refund receivable), other accounts receivable - related parties, refundable deposits (recognized as other non-current assets) and other financial assets - restricted (recognized as other current and non-current assets).

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable, trade and other payables (excluding wage payable, labor and medical insurance, pension and value-added tax), preferred stock liability and bond issued.

d. Financial risk management objectives and policies

The Group's major financial instruments include financial assets measured at FVTOCI, financial assets measured at FVTOCI, accounts receivable, accounts payable, and short-term, long-term debt and lease liabilities etc. The Group's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

For the carrying amounts of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date (including monetary items denominated in non-functional currencies in the consolidated financial statements), refer to Note 35.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency (U.S. dollar). 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit (loss) associated with New Taiwan dollar strengthening 5% against the U.S. dollar. For a 5% weakening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit (loss) and the balances below would be negative.

	U.S. Dollar	
	USD:NTD	
	For the Three Months Ended March 31	
	2023	2022
Profit (loss)	$ 9,225	$ 41,974

This was mainly attributable to the exposure on outstanding bank deposits, other financial assets - restricted, short-term loans, receivables and payables denominated in U.S. dollars which were not hedged at the end of the reporting period.

The sensitivity of the Group to the U.S. dollar decreased during the current period, mainly due to the decrease in short-term loans denominated in U.S. dollars during the current period.

Hedge accounting

The Group's hedging strategy is to enter into forward foreign exchange contracts to hedge the risk of exchange rate changes on foreign currency machine purchase contracts that are expected to occur in the future and are designated as cash flow hedges. When the forecasted purchases actually occur, a basis adjustment is made to the initial carrying amount of the hedged item.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e., the notional amount, life and underlying) of the forward foreign exchange contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The Group compares changes in the fair value of forward foreign exchange contracts with changes in purchase costs to assess the effectiveness of the hedge.

The main source of hedge ineffectiveness in these hedging relationships is the effect of credit risks of the Group and the counterparty on the fair value of the forward exchange contracts. Such credit risks do not impact the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The Group's exchange rate risk hedge information is summarized as follows:

March 31, 2023

Hedging Instrument	Currency	Notional Amount (Thousand)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liability
Cash flow hedge						
Forecast sales - forward exchange contracts	USD/NTD	USD289/NTD8,817	April 25, 2023	$ 30.507	Financial liabilities for hedging	$ 39

Hedged Item	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedge	
Forecast sales (i)	$ (31)

December 31, 2022

Hedging Instrument	Currency	Notional Amount (Thousand)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liability
Cash flow hedge						
Forecast sales - forward exchange contracts	USD/NTD	USD867/NTD26,795	January 18, 2023	$ 30.905	Financial liabilities for hedging	$ 218

Hedged Item	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedge	
Forecast sales (i)	$ (174)

For the three months ended march 31, 2023

Comprehensive Income	Hedging Losses Recognized in OCI
Cash flow hedge	
Forecast sales (i)(ii)	$ (56)

i. The Group has entered into a forward exchange contract for the purchase of machinery and equipment to hedge the risk of exchange rate fluctuations from anticipated future purchase transactions, at which time the amount previously deferred in equity will be included in the carrying amount of machinery and equipment.

ii. Refer to Note 24 for a reconciliation of hedge-related other equity.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial liabilities	$ 642,963	$ 628,331	$ 394,991
Cash flow interest rate risk			
Financial assets	1,087,711	1,093,939	836,852
Financial liabilities	2,751,577	3,089,912	3,095,790

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2023 and 2022 would have decreased/increased by $1,040 thousand and $1,412 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risk on its long-term borrowings.

The Group's interest rate sensitivity decreased during the period, which was mainly due to an decrease in liabilities with variable interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, is primarily equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group uses available financial information and mutual transaction records to rate major customers. The Group continues to monitor the credit risk exposures and the credit ratings of their counterparties.

The Group's concentration of credit risk of 84.16%, 88.42% and 65.94% in total trade receivables as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group managed and maintained sufficient cash and cash equivalents to support the operations of the Group and mitigate the impact of fluctuations in cash flows with long-term borrowings. The Group's management supervised the use of bank financing quotas and ensures compliance with the terms of the loan contract.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its borrowings with agreed-upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

March 31, 2023

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 95,107	$ 490,066	$ 425,170	$ 1,938,420
Fixed interest rate liabilities	339,659	-	-	287,949
Non-interest bearing liabilities	392,358	371,469	78,691	-
Lease liabilities	884	1,769	5,643	7,467
	$ 828,008	$ 863,304	$ 509,504	$ 2,233,836

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 8,296	$ 7,467	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 281,350	$ 68,754	$ 926,374	$ 2,237,696
Fixed interest rate liabilities	229,720	99,793	-	287,949
Non-interest bearing liabilities	737,795	306,887	51,811	6,355
Lease liabilities	600	1,200	4,116	5,486
	$ 1,249,465	$ 476,634	$ 982,301	$ 2,537,486

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 5,916	$ 5,486	$ -	$ -	$

March 31, 2022

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 119,568	$ 436,630	$ 1,156,849	$ 1,535,811
Fixed interest rate liabilities	99,881	-	-	287,949
Non-interest bearing liabilities	539,018	329,862	51,349	200
Lease liabilities	1,238	1,906	3,303	772
	$ 759,705	$ 768,398	$ 1,211,501	$ 1,824,732

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 6,447	$ 772	$ -	$ -	$ -

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 42,937	$ -	$ -	$ -
Outflows	(42,981)	-	-	-
	$ (44)	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 113,014	$ -	$ -	$ -
Outflows	(113,869)	-	-	-
	$ (855)	$ -	$ -	$ -

March 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 49,684	$ -	$ 28,530	$ -
Outflows	(48,215)	-	(27,775)	-
	$ 1,469	$ -	$ 755	$ -

c) Financing facilities

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ 937,832	$ 1,380,758	$ 865,347
Amount unused	1,015,775	477,943	399,253
	$ 1,953,607	$ 1,858,701	$ 1,264,600
Secured bank overdraft facilities:			
Amount used	$ 2,531,600	$ 1,975,000	$ 3,082,200
Amount unused	2,691,561	1,465,505	921,600
	$ 5,223,161	$ 3,440,505	$ 4,003,800

31. TRANSACTIONS WITH RELATED PARTIES

The terms of the transactions and the prices are negotiated separately, details of the transactions are disclosed below:

a. The Group's related parties

Related Party	Relationship with the Group
Yuan-Yu Solar Energy Co., Ltd.	Associate
Holdgood Energy Development Corporation	Associate

b. Operating revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2023	For the Three Months Ended March 31 2022
Sales	Associate	$ 4	$ 36,495

The prices and collection period of sales transactions are based on the contract, which are similar to those of other companies in general.

c. Rent revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Rent revenue	Associate	$ 279	$ -

The rent is determined according to the bargaining method, and the rent is charged on a monthly basis.

d. Other revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2023	For the Three Months Ended March 31 2022
Other revenue	Associate	$ 292	$ 692

Other revenue refers to amounts charged to associates and power plant maintenance cleaning costs, transaction contents are made based on the price and collection period stated in the contract.

e. Accounts receivable - associates

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	Associate/Holdgood	$ -	$ 9,498	$ 18,209
	Associate/Yuan-Yu	-	-	558
		$ -	$ 9,498	$ 18,767

The outstanding accounts receivable from related parties are unsecured and are not overdue. As of March 31, 2023, December 31, 2022 and March 31, 2022, no allowance was recognized for accounts receivable from related parties.

f. Other receivable

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Other receivables	Associate	$ -	$ 120	$ 120
	Holdgood	813	1,296	435
		$ 813	$ 1,416	$ 555

Refers to amounts charged to collection and payment, affairs expenses and equipment maintenance fee.

g. Contract liabilities

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Contract liabilities	Associate	$ 7,692	$ 685	$ 10,647

h. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	$ 22,155	$ 12,954
Post-employment benefits	467	108
	$ 22,622	$ 13,062

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for import duties, bank borrowings, borrowings for the purchase of material, power plant business and other credit facilities:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	$ 425,279	$ 425,279	$ 1,071,526
Buildings	753,422	758,252	82,304
Machinery	276,893	319,266	467,878
Investment properties	91,531	92,093	146,803
Investments accounted for using equity method	131,009	94,212	102,333
Other financial assets - restricted assets (recognized as other current and non-current assets)	100,188	133,282	99,903
	$ 1,778,322	$ 1,822,384	$ 1,970,747

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2023, December 31, 2022 and March 31, 2022, significant commitments of the Group were as follows:

a. Commitments for construction contracts

	March 31, 2023	December 31, 2022	March 31, 2022
Purchased	$ 482,724	$ 458,897	$ 225,636
To be purchased in the future	150,293	140,303	345,748
	$ 633,017	$ 599,200	$ 571,384

b. Commitments for material purchasing contracts

	March 31, 2023	December 31, 2022	March 31, 2022
Purchased	$ 656,870	$ 586,901	$ 471,740
To be purchased in the future	1,071,335	1,101,911	1,324,530
	$ 1,728,205	$ 1,688,812	$ 1,796,270

c. Commitments for equipment purchasing contracts

	March 31, 2023	December 31, 2022	March 31, 2022
Purchased	$ 525,460	$ 386,646	$ 1,021,115
To be purchased in the future	308,638	457,954	423,766
	$ 834,098	$ 844,600	$ 1,444,881

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. In order to repay the loan and enrich the working capital, the Company’s board of directors approved a capital increase of $400,000 thousand in cash on May 9, 2023.

b. Houchang Energy Company, a subsidiary of the Company, has capital needs for the construction of AFC energy storage field, applying a financing credit of $195,000 thousand to SinoPac Bank, and intending to submit the Company as a joint guarantor for a guarantee period of 7 years. The Company’s board of directors approved the resolution of on May 9, 2023.

c. On May 9, 2023, the Company’s board of directors approved the resolution to invest $432,000 thousand to acquire a 24% equity of NFC III Renewable Power Co., Ltd. in order to continue to increase the investment in solar photovoltaic projects and to inject long-term stable cash flow to expand the group’s operations synergy.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies (including monetary items that have been written off in a non-functional currency in the consolidated financial statements) and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 12,925	30.45 (USD:NTD)	$ 393,566
Non-monetary items			
USD	263	30.45 (USD:NTD)	8,003
Financial liabilities			
Monetary items			
USD	18,984	30.45 (USD:NTD)	578,063

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 17,928	30.71 (USD:NTD)	$ 550,569
Non-monetary items			
USD	263	30.71 (USD:NTD)	8,071
Financial liabilities			
Monetary items			
USD	19,355	30.71 (USD:NTD)	594,392

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 13,637	28.625 (USD:NTD)	$ 390,359
Non-monetary items			
JPY	25,080	0.2353 (JPY:NTD)	5,901
USD	262	28.625 (USD:NTD)	7,512

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 42,964	28.625 (USD:NTD)	$ 1,229,845
			(Concluded)

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2023		2022	
Foreign Currency	Exchange Rate	Unrealized Foreign Exchange Loss	Exchange Rate	Unrealized Foreign Exchange Loss
USD	30.395 (USD:NTD)	$ (4,120)	28.366 (USD:NTD)	$ (20,427)

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None

2) Endorsements/guarantees provided: Table 1 (attached)

3) Marketable securities held (excluding investments in subsidiaries): Table 2 (attached)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 3 (attached)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: Notes 7 and 30

10) Intercompany relationships and significant intercompany transactions: None

b. Information on investees: Table 4 (attached)

c. Information on investments in mainland China: None

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 5 (attached)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of products delivered or services provided. The reportable segments of the Group are the solar module segment and other segments.

Solar module segment: Provides manufacturing and after-sales services of solar module products.

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segment.

	Solar Module	Others	Eliminations	Total
For three months ended March 31, 2023				
Revenue from external customers	$ 2,173,475	$ 5,498	$ -	$ 2,178,973
Intersegment revenue	$ -	$ -	$ -	$ -
Segment income (loss)	$ 112,096	$ (2,336)	$ 10	$ 109,770
For three months ended March 31, 2022				
Revenue from external customers	$ 1,967,147	$ 38,572	$ -	$ 2,005,719
Intersegment revenue	$ -	$ -	$ -	$ -
Segment income	$ 58,879	$ 4,716	$ -	$ 63,595

b. Segment total assets

	March 31, 2023	December 31, 2022	March 31, 2022
Solar modules	$ 10,859,174	$ 11,005,233	$ 9,889,142
Others	354,990	302,817	94,644
Consolidated total assets	$ 11,214,164	$ 11,308,050	$ 9,983,786

TABLE 1

TSEC CORPORATION AND SUBSIDIARIES

GUARANTEES PROVIDED
FOR THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Guarantor	Guarantee		Limit on Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Guaranteed During the Period (Note 4)	Outstanding Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount Guaranteed by Collateral	Ratio of Accumulated Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Guarantee Limit (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Relationship (Note 1)											
0	TSEC Corporation (the “Company”)	Yuan-Yu Solar Energy Co., Ltd.	Associate	$ 1,265,376	$ 120,000	$ 120,000	$ 120,000	$ 120,000	1.90	$ 1,265,376	N	N	N	

Note 1: Associates in which the Company holds 20% of ordinary shares directly.

Note 2: Due to the joint investment relationship of the Company, all the capital shareholders shall endorse the invested company according to their shareholding ratio, and the upper limit of the endorsement guarantee amount shall not exceed 20% of the current net value.

Note 3: It is calculated according to the financial data of the company providing the endorsements/guarantees.

Note 4: The maximum balance of endorsements/guarantees for the current period and the balance of endorsement/guarantee, end of period, are the amounts approved by the board of directors.

Note 5: “Y” shall be entered only in the cases of endorsement/guarantee by the publicly listed parent to subsidiary; endorsement/guarantee by subsidiary to the publicly listed parent; endorsement/guarantee to entity in mainland China.

TSEC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
TSEC Corporation (the "Company")	Domestic unlisted ordinary shares Eversol Corporation	-	Financial assets at fair value through other comprehensive income (FVTOCI)	62,591	$ -	2.23	$ -	-

Note: None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

TSEC CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
TSEC Corporation	Houses and buildings	2021.08.26 (Note 1)	$ 324,000	$ 292,200	Engtown Construction Corporation	None	-	-	-	$ -	Engineering contracts	Plant	None

Note 1: Date of signing of the contract.

Note 2: Because the unfinished project has not been completed and accepted, it has not been accounted for construction in progress as of March 31, 2023.

TSEC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Products	Investment Amount		March 31, 2023			Net Income (Loss) of the Investee	Share of Profit	Other Items
				March 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
TSEC Corporation	TSEC America, Inc.	1235 N Harbor Blvd Ste 240, Fullerton, CA 92832, U.S.A.	Sales of solar related products	$ 31,129 (US$ 1,000,000)	$ 31,129 (US$ 1,000,000)	100	100.00	$ 8,003	$ -	$ -	Notes 1, 4 and 6
	Houchang Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	120,500	120,500	120,050	100.00	118,186	(669)	(669)	Notes 1 and 6
	Changyang Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	400	400	40	80.00	383	-	-	Notes 1 and 6
	Yunsheng Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	478	-	-	Notes 1 and 6
	Yunxing Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	478	-	-	Notes 1 and 6
	TSECPV (HK) LIMITED	806-807, 8/F, One Pacific Place, 88 Queensway, Hong Kong	Sales of solar related products	200 (US$ 6,500)	200 (US$ 26,500)	-	100.00	59	(28)	(28)	Notes 1 and 6
	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	89	89	10	100.00	80	-	-	Notes 1 and 6
	Holdgood Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	213,804	213,804	21,380	45.49	242,690	24,821	11,292	Notes 2 and 5
	Yuan-Yu Solar Energy Co., Ltd.	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	120,000	120,000	12,000	20.00	131,009	175,780	36,797	Notes 3, 5 and 7
	Yuanjin Chuangneng Co., Ltd	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	26,100	-	2,610	90.00	26,071	(32)	(29)	Notes 1 and 6
Hou Chang Energy Corporation	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100	100	100	100.00	89	-	-	Notes 1 and 6
	Yongli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100	100	100	100.00	89	-	-	Notes 1 and 6

Note 1: The investment gains and losses of the subsidiaries accounted for using the equity method are calculated based on the financial statements that have been reviewed.

Note 2: The investment gains and losses of the associates accounted for using the equity method are calculated based on the financial statements that have been reviewed.

Note 3: The share of profit or loss of associate accounted for using the equity method are calculated based on the financial statements that have not been reviewed. The management consider that if the financial statements are reviewed by other accountants, the adjustment amount will not have a significant impact.

Note 4: The board of directors resolved to liquidate and dissolve the subsidiary TSEC America, Inc. on September 11, 2018. As of May 9, 2023, TSEC America, Inc. has not completed the liquidation procedures.

Note 5: Carrying amount includes unrealized gross margin.

Note 6: Eliminated from the consolidated financial statements.

Note 7: The Company issued the equity of Yuan Yu Company to the bank lender as collateral for Yuan Yu Company's financing in Note 32.

TABLE 5

TSEC CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
None	-	-

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.