

**Formosa Sumco Technology Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Formosa Sumco Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Formosa Sumco Technology Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies “(collectively referred to as the “consolidated financial statements”)”. 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 Statement of Auditing Standards No. 65 “Review of 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, 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 September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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 Ching-Ting Yang and Wen-Yuan Chuang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 10, 2022

Notice to Readers

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 review 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' review report and consolidated financial statements shall prevail.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 12,805,077	37	\$ 9,283,087	39	\$ 7,414,301	32
Financial assets at amortized cost - current (Note 8)	-	-	-	-	1,300,000	6
Trade receivables from unrelated parties (Note 9)	2,438,127	7	1,670,140	7	1,616,703	7
Trade receivables from related parties (Notes 9 and 25)	572,588	2	456,728	2	439,691	2
Other receivables (Note 9)	130,912	-	31,673	-	23,294	-
Other receivables from related parties (Notes 9 and 25)	1,886	-	1,221	-	1,369	-
Inventories (Note 10)	3,305,319	10	2,886,367	12	2,835,927	12
Prepayments (Note 15)	<u>193,371</u>	<u>1</u>	<u>128,952</u>	<u>1</u>	<u>211,803</u>	<u>1</u>
Total current assets	<u>19,447,280</u>	<u>57</u>	<u>14,458,168</u>	<u>61</u>	<u>13,843,088</u>	<u>60</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	269	-	311	-	322	-
Property, plant and equipment (Notes 12, 25 and 26)	12,283,950	36	8,880,516	38	8,901,816	39
Right-of use assets (Notes 13 and 25)	51,532	-	17,357	-	20,458	-
Intangible assets (Notes 14 and 25)	7,541	-	7,963	-	6,362	-
Deferred tax assets (Notes 4 and 21)	295,166	1	269,662	1	248,164	1
Prepayment for equipment	2,003,409	6	85,517	-	6,193	-
Refundable deposits	302	-	205	-	205	-
Other non-current assets (Note 15)	<u>1,380</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>1,868</u>	<u>-</u>
Total non-current assets	<u>14,643,549</u>	<u>43</u>	<u>9,263,277</u>	<u>39</u>	<u>9,185,388</u>	<u>40</u>
TOTAL	<u>\$ 34,090,829</u>	<u>100</u>	<u>\$ 23,721,445</u>	<u>100</u>	<u>\$ 23,028,476</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 19)	\$ 747,673	2	\$ 126,870	-	\$ 225,934	1
Trade payables to unrelated parties	483,346	2	428,292	2	432,851	2
Trade payables to related parties (Note 25)	123,062	-	112,151	-	122,108	1
Other payables (Note 16)	1,401,639	4	1,077,540	5	798,221	3
Other payables to related parties (Notes 16 and 25)	363,424	1	274,658	1	196,271	1
Current tax liabilities (Notes 4 and 21)	960,882	3	371,182	2	288,740	1
Lease liabilities - current (Notes 13 and 25)	38,179	-	7,292	-	8,409	-
Other current liabilities	<u>13,765</u>	<u>-</u>	<u>11,634</u>	<u>-</u>	<u>14,504</u>	<u>-</u>
Total current liabilities	<u>4,131,970</u>	<u>12</u>	<u>2,409,619</u>	<u>10</u>	<u>2,087,038</u>	<u>9</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current	5,125,794	15	-	-	-	-
Deferred tax liabilities (Notes 4 and 21)	61,849	-	28,495	-	27,513	-
Lease liabilities - non-current (Notes 13 and 25)	13,707	-	10,298	-	12,293	-
Net defined benefit liabilities - non-current (Notes 4 and 17)	397,740	1	401,904	2	380,358	2
Guarantee deposits	550,151	2	217	-	217	-
Other non-current liabilities	<u>25,809</u>	<u>-</u>	<u>18,156</u>	<u>-</u>	<u>15,875</u>	<u>-</u>
Total non-current liabilities	<u>6,175,050</u>	<u>18</u>	<u>459,070</u>	<u>2</u>	<u>436,256</u>	<u>2</u>
Total liabilities	<u>10,307,020</u>	<u>30</u>	<u>2,868,689</u>	<u>12</u>	<u>2,523,294</u>	<u>11</u>
EQUITY (Notes 18 and 23)						
Share capital						
Ordinary shares	<u>3,878,483</u>	<u>11</u>	<u>3,878,483</u>	<u>16</u>	<u>3,878,483</u>	<u>17</u>
Capital surplus	<u>5,739,250</u>	<u>17</u>	<u>5,739,249</u>	<u>24</u>	<u>5,739,249</u>	<u>25</u>
Retained earnings						
Legal reserve	2,563,707	8	2,424,699	10	2,424,699	10
Special reserve	29,275	-	-	-	-	-
Unappropriated earnings	<u>11,636,553</u>	<u>34</u>	<u>8,839,600</u>	<u>38</u>	<u>8,478,678</u>	<u>37</u>
Total retained earnings	<u>14,229,535</u>	<u>42</u>	<u>11,264,299</u>	<u>48</u>	<u>10,903,377</u>	<u>47</u>
Other equity	<u>(63,459)</u>	<u>-</u>	<u>(29,275)</u>	<u>-</u>	<u>(15,927)</u>	<u>-</u>
Total equity	<u>23,783,809</u>	<u>70</u>	<u>20,852,756</u>	<u>88</u>	<u>20,505,182</u>	<u>89</u>
TOTAL	<u>\$ 34,090,829</u>	<u>100</u>	<u>\$ 23,721,445</u>	<u>100</u>	<u>\$ 23,028,476</u>	<u>100</u>

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

FORMOSA SUMCO TECHNOLOGY 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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 19, 25 and 29)	\$ 4,204,270	100	\$ 3,175,973	100	\$ 11,992,725	100	\$ 8,987,061	100
OPERATING COST (Notes 10, 14, 17, 20 and 25)	<u>(2,581,731)</u>	<u>(62)</u>	<u>(2,463,558)</u>	<u>(78)</u>	<u>(7,436,751)</u>	<u>(62)</u>	<u>(7,141,248)</u>	<u>(80)</u>
GROSS PROFIT	<u>1,622,539</u>	<u>38</u>	<u>712,415</u>	<u>22</u>	<u>4,555,974</u>	<u>38</u>	<u>1,845,813</u>	<u>20</u>
OPERATING EXPENSES (Notes 17, 20 and 25)								
Marketing	(172,812)	(4)	(104,195)	(3)	(481,090)	(4)	(293,976)	(3)
Administrative	<u>(85,724)</u>	<u>(2)</u>	<u>(67,600)</u>	<u>(2)</u>	<u>(239,954)</u>	<u>(2)</u>	<u>(191,407)</u>	<u>(2)</u>
Total operating expenses	<u>(258,536)</u>	<u>(6)</u>	<u>(171,795)</u>	<u>(5)</u>	<u>(721,044)</u>	<u>(6)</u>	<u>(485,383)</u>	<u>(5)</u>
INCOME FROM OPERATIONS	<u>1,364,003</u>	<u>32</u>	<u>540,620</u>	<u>17</u>	<u>3,834,930</u>	<u>32</u>	<u>1,360,430</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 25)								
Interest income	39,952	1	5,125	-	62,596	1	15,770	-
Other income	3,309	-	4,160	-	9,734	-	9,234	-
Other gains and losses	497,945	12	(15,964)	-	841,535	7	(142,712)	(1)
Finance costs	<u>(199)</u>	<u>-</u>	<u>(77)</u>	<u>-</u>	<u>(663)</u>	<u>-</u>	<u>(321)</u>	<u>-</u>
Total non-operating income and expenses	<u>541,007</u>	<u>13</u>	<u>(6,756)</u>	<u>-</u>	<u>913,202</u>	<u>8</u>	<u>(118,029)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX	1,905,010	45	533,864	17	4,748,132	40	1,242,401	14
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(360,510)</u>	<u>(8)</u>	<u>(106,384)</u>	<u>(4)</u>	<u>(921,873)</u>	<u>(8)</u>	<u>(213,245)</u>	<u>(3)</u>
NET INCOME	<u>1,544,500</u>	<u>37</u>	<u>427,480</u>	<u>13</u>	<u>3,826,259</u>	<u>32</u>	<u>1,029,156</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income	(36)	-	(24)	-	(42)	-	(2)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translating foreign operations	<u>2,634</u>	<u>-</u>	<u>(6,187)</u>	<u>-</u>	<u>(34,142)</u>	<u>-</u>	<u>(36,140)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>2,598</u>	<u>-</u>	<u>(6,211)</u>	<u>-</u>	<u>(34,184)</u>	<u>-</u>	<u>(36,142)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,547,098</u>	<u>37</u>	<u>\$ 421,269</u>	<u>13</u>	<u>\$ 3,792,075</u>	<u>32</u>	<u>\$ 993,014</u>	<u>11</u>

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FORMOSA SUMCO TECHNOLOGY 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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 22)								
Basic earnings per share	<u>\$ 3.98</u>		<u>\$ 1.10</u>		<u>\$ 9.87</u>		<u>\$ 2.65</u>	
Diluted earnings per share	<u>\$ 3.98</u>		<u>\$ 1.10</u>		<u>\$ 9.86</u>		<u>\$ 2.65</u>	

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

(Concluded)

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Retained Earnings						Exchange Difference on Translating Foreign Operations	Others Unrealized Gain (Loss) on Investments in Financial Assets Designated as at Fair Value Through Other Comprehensive Income	Total	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2021	\$ 3,878,483	\$ 5,739,235	\$ 2,293,240	\$ -	\$ 8,414,855	\$ 10,708,095	\$ 19,929	\$ 286	\$ 20,215	\$ 20,346,028
Appropriation of the 2020 earnings										
Legal reserve	-	-	131,459	-	(131,459)	-	-	-	-	-
Cash dividends	-	-	-	-	(833,874)	(833,874)	-	-	-	(833,874)
	-	-	131,459	-	(965,333)	(833,874)	-	-	-	(833,874)
Dividends expired and uncollected by shareholders	-	14	-	-	-	-	-	-	-	14
Net profit for the nine months ended September 30, 2021	-	-	-	-	1,029,156	1,029,156	-	-	-	1,029,156
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	(36,140)	(2)	(36,142)	(36,142)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	1,029,156	1,029,156	(36,140)	(2)	(36,142)	993,014
BALANCE AT SEPTEMBER 30, 2021	\$ 3,878,483	\$ 5,739,249	\$ 2,424,699	\$ -	\$ 8,478,678	\$ 10,903,377	\$ (16,211)	\$ 284	\$ (15,927)	\$ 20,505,182
BALANCE AT JANUARY 1, 2022	\$ 3,878,483	\$ 5,739,249	\$ 2,424,699	\$ -	\$ 8,839,600	\$ 11,264,299	\$ (29,548)	\$ 273	\$ (29,275)	\$ 20,852,756
Appropriation of the 2021 earnings										
Legal reserve	-	-	139,008	-	(139,008)	-	-	-	-	-
Special reserve	-	-	-	29,275	(29,275)	-	-	-	-	-
Cash dividends	-	-	-	-	(861,023)	(861,023)	-	-	-	(861,023)
	-	-	139,008	29,275	(1,029,306)	(861,023)	-	-	-	(861,023)
Dividends expired and uncollected by shareholders	-	1	-	-	-	-	-	-	-	1
Net profit for the nine months ended September 30, 2022	-	-	-	-	3,826,259	3,826,259	-	-	-	3,826,259
Other comprehensive loss for the nine months ended September 30, 2022	-	-	-	-	-	-	(34,142)	(42)	(34,184)	(34,184)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	3,826,259	3,826,259	(34,142)	(42)	(34,184)	3,792,075
BALANCE AT SEPTEMBER 30, 2022	\$ 3,878,483	\$ 5,739,250	\$ 2,563,707	\$ 29,275	\$ 11,636,553	\$ 14,229,535	\$ (63,690)	\$ 231	\$ (63,459)	\$ 23,783,809

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,748,132	\$ 1,242,401
Adjustments for:		
Depreciation expense	1,534,058	1,552,043
Amortization expense	1,713	2,320
Interest expense	663	321
Interest income	(62,596)	(15,770)
Dividend income	(12)	(2)
(Gain) loss on disposal of property, plant and equipment	(80)	23
Write-down of inventories	-	12,397
Reversal of write-down of inventories	(6,345)	-
Net (gain) loss on foreign currency exchange	(113,880)	4,513
Changes in operating assets and liabilities		
Trade receivables	(796,263)	(93,717)
Other receivables	(92,502)	13,716
Inventories	(426,991)	105,784
Prepayments	(61,726)	(80,780)
Contract liabilities	5,746,597	71,961
Trade payables	74,356	27,263
Other payables	51,093	136,882
Other current liabilities	2,131	2,946
Net defined benefit liabilities	(4,164)	4,672
Cash generated from operations	10,594,184	2,986,973
Interest received	55,315	20,440
Dividend received	12	2
Interest paid	(663)	(321)
Income tax paid	(324,323)	(302,974)
Net cash generated from operating activities	<u>10,324,525</u>	<u>2,704,120</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(1,000,000)
Payments for property, plant and equipment	(4,510,439)	(1,227,806)
Proceeds from disposal of property, plant and equipment	80	-
Increase in refundable deposits	(97)	-
Payments for intangible assets	(1,291)	(1,034)
Decrease in other non-current assets	366	-
Increase in prepayments for equipment	(1,952,586)	(17,241)
Net cash used in investing activities	<u>(6,463,967)</u>	<u>(2,246,081)</u>

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FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Refund of (proceeds from) guarantee deposits received	\$ 549,934	\$ (466)
Repayment of the principal portion of lease liabilities	(28,245)	(8,352)
Increase (decrease) in other non-current liabilities	7,653	(53,311)
Cash dividend paid	<u>(860,921)</u>	<u>(833,805)</u>
Net cash used in financing activities	<u>(331,579)</u>	<u>(895,934)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(6,989)</u>	<u>(7,862)</u>
NET INCREASE (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	3,521,990	(445,757)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,283,087</u>	<u>7,860,058</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 12,805,077</u>	<u>\$ 7,414,301</u>

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

(Concluded)

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Formosa Sumco Technology Corporation (the “Company”, formerly Formosa Komatsu Silicon Corporation) was established by Formosa Plastics Corporation, Asia Pacific Investment Corporation and Komatsu Electronic Metals Co., Ltd. The Company was incorporated in the Republic of China (“ROC”) and commenced business in November 1995. The Company mainly manufactures, sells, and trades silicon wafers.

On October 18, 2006, Sumco Corporation acquired 51% of the equity in Komatsu Electronic Metals Co., Ltd. As the result, the Company’s name was changed to Formosa Sumco Technology Corporation in accordance with the resolution passed at the general shareholders’ meeting on December 29, 2006, and this name change was registered with the Ministry of Economic Affairs, Republic of China. In addition, Komatsu Silicon Corporation has changed its name to Sumco Techxiv Corporation.

The Company became publicly listed on September 12, 2006, and its shares have been listed and started trading on the Emerging Stock Board (ESB) on November 23, 2006. The Company was subsequently listed and started trading on the Taiwan Stock Exchange since December 10, 2007.

The Company’s parent is Sumco Techxiv Corporation, which held 45.57% and 45.57% of the ordinary shares of the Company as of September 30, 2022 and 2021, respectively. The Company’s ultimate parent is Sumco Corporation.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollars (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 10, 2022.

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

- a. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that 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.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the Financial Supervisory Commission (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 on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

These interim 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 these interim consolidated financial statements is less than the disclosure information required in a complete set of annual 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 and net defined benefit liabilities which are measured at the present value of defined benefit obligation less the fair value of plan assets.

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 the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

See Note 11 and Table 6 for the detailed information of subsidiaries (including percentage of ownership and main businesses).

d. Other significant accounting policies

Except for the following, the accounting policies to these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefit plan

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting policies applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ -	\$ 8	\$ 4
Checking deposits	4,761	2,543	1,517
Demand deposits	564	564	510
Foreign currency deposits	725,599	606,909	903,725
Cash equivalent (investments with original maturities of less than 3 months)			
Commercial papers	3,141,938	1,574,086	1,100,253
Time deposits	6,933,765	5,415,787	4,222,452
Repurchase agreements collateralized by bonds	<u>1,988,450</u>	<u>1,683,130</u>	<u>1,185,840</u>
	<u>\$ 12,805,077</u>	<u>\$ 9,283,087</u>	<u>\$ 7,414,301</u>

The market rate intervals of cash in bank, commercial papers, repurchase agreement collateralized by bonds and time deposits at the end of the reporting period were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Demand deposits	0.33%	0.02%	0.02%
Foreign currency deposits	0.0001%-0.01%	0.0001%-0.01%	0.01%
Commercial papers	0.75%-1.15%	0.25%-0.37%	0.20%-0.25%
Time deposits	0.82%-3.40%	0.31%-0.38%	0.15%-0.32%
Repurchase agreement collateralized by bonds	0.71%-0.82%	0.25%-0.30%	0.19%-0.21%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Formosa Petrochemical Corporation	<u>\$ 269</u>	<u>\$ 311</u>	<u>\$ 322</u>

The Group invested in the ordinary shares of Formosa Petrochemical Corporation for long-term strategy purposes and expects to profit from the shares through long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ _____ -	\$ _____ -	\$ 1,300,000

The ranges of interest rates for time deposits with original maturities of more than 3 months was approximately 0.35%-0.38% for September 30, 2021.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - unrelated parties	\$ 2,438,127	\$ 1,670,140	\$ 1,616,703
Trade receivables - related parties	572,588	456,728	439,691
Less: Allowance for impairment loss	_____ -	_____ -	_____ -
	<u>\$ 3,010,715</u>	<u>\$ 2,126,868</u>	<u>\$ 2,056,394</u>
<u>Other receivables</u>			
Tax refund receivable (sales tax)	\$ 121,970	\$ 30,142	\$ 21,455
Other	<u>8,942</u>	<u>1,531</u>	<u>1,839</u>
	<u>\$ 130,912</u>	<u>\$ 31,673</u>	<u>\$ 23,294</u>
<u>Other receivables - related parties</u>			
Other	<u>\$ 1,886</u>	<u>\$ 1,221</u>	<u>\$ 1,369</u>

Trade Receivables at Amortized Cost

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period 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 provides for expected credit losses based on the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. 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 information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. 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.

September 30, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	-
Gross carrying amount	\$ 3,010,715	\$ -	\$ -	\$ -	\$ -	\$ 3,010,715
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 3,010,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,010,715</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	-
Gross carrying amount	\$ 2,126,868	\$ -	\$ -	\$ -	\$ -	\$ 2,126,868
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 2,126,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,868</u>

September 30, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	-
Gross carrying amount	\$ 2,056,394	\$ -	\$ -	\$ -	\$ -	\$ 2,056,394
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 2,056,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,056,394</u>

10. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 1,030,291	\$ 833,149	\$ 783,742
Supplies	1,162,828	1,070,445	1,050,020
Work in progress	585,369	482,777	530,114
Finished goods	630,510	611,520	594,125
Merchandise inventories	23,813	22,813	7,593
Less: Allowance for inventory devaluation	<u>(127,492)</u>	<u>(133,837)</u>	<u>(129,667)</u>
	<u>\$ 3,305,319</u>	<u>\$ 2,886,367</u>	<u>\$ 2,835,927</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2022 and for the nine months ended September 30, 2022 was \$2,581,731 thousand and \$7,436,751 thousand, respectively.

The cost of revenue recognized as cost of goods sold for the three months ended September 30, 2022 and for the nine months ended September 30, 2022, included reversed of inventory write-downs of \$(7,721) thousand and \$(6,345) thousand, and income from selling silicon waste of \$33,909 thousand and \$87,899 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2022 and for the nine months ended September 30, 2021 was \$2,463,558 thousand and \$7,141,248 thousand, respectively.

The cost of revenue recognized as cost of goods sold for the three months ended September 30, 2022 and for the nine months ended September 30, 2021, included reversed of inventory write-downs of \$(7,805) thousand and inventory write-downs of \$12,397 thousand, and income from selling silicon waste of \$21,751 thousand and \$55,428 thousand, respectively.

11. SUBSIDIARIES

Subsidiary Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			September 30, 2022	December 31, 2021	September 30, 2021
The Company	Japan Formosa Sumco Technology Corporation	Manufacturing, selling and other related business of high quality ingot	100%	100%	100%

The above subsidiary was incorporated in the consolidated financial statements on the basis of reviewed financial statements as of and for the same reporting periods as the Company.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment Under Installation and Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 120,906	\$ 3,944,529	\$ 34,595,892	\$ 626,238	\$ 828,767	\$ 40,116,332
Additions	-	-	30,331	24,995	4,899,964	4,955,290
Reclassified	-	9,152	369,542	16,813	(396,428)	(921)
Disposals	-	-	(31,731)	(1,394)	-	(33,125)
Effect of foreign currency exchange differences	-	-	(94,602)	(1,526)	-	(96,128)
Balance at September 30, 2022	<u>\$ 120,906</u>	<u>\$ 3,953,681</u>	<u>\$ 34,869,432</u>	<u>\$ 665,126</u>	<u>\$ 5,332,303</u>	<u>\$ 44,941,448</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ -	\$ 1,684,900	\$ 29,150,742	\$ 400,174	\$ -	\$ 31,235,816
Disposals	-	-	(31,731)	(1,394)	-	(33,125)
Depreciation expense	-	84,071	1,367,923	53,688	-	1,505,682
Effect of foreign currency exchange differences	-	-	(49,882)	(993)	-	(50,875)
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 1,768,971</u>	<u>\$ 30,437,052</u>	<u>\$ 451,475</u>	<u>\$ -</u>	<u>\$ 32,657,498</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment Under Installation and Construction in Progress	Total
Carrying amount at September 30, 2022	<u>\$ 120,906</u>	<u>\$ 2,184,710</u>	<u>\$ 4,432,380</u>	<u>\$ 213,651</u>	<u>\$ 5,332,303</u>	<u>\$ 12,283,950</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 120,906</u>	<u>\$ 2,259,629</u>	<u>\$ 5,445,150</u>	<u>\$ 226,064</u>	<u>\$ 828,767</u>	<u>\$ 8,880,516</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 120,906	\$ 3,933,248	\$ 33,583,371	\$ 923,231	\$ 1,040,953	\$ 39,601,709
Additions	-	-	16,133	23,300	917,688	957,121
Reclassified	-	11,281	254,689	73,418	(339,388)	-
Disposals	-	-	(7,115)	(392,220)	-	(399,335)
Effect of foreign currency exchange differences	-	-	(105,540)	(1,707)	-	(107,247)
Balance at September 30, 2021	<u>\$ 120,906</u>	<u>\$ 3,944,529</u>	<u>\$ 33,741,538</u>	<u>\$ 626,022</u>	<u>\$ 1,619,253</u>	<u>\$ 40,052,248</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ 1,573,175	\$ 27,730,332	\$ 749,690	\$ -	\$ 30,053,197
Disposals	-	-	(7,115)	(392,197)	-	(399,312)
Depreciation expense	-	83,748	1,419,512	40,407	-	1,543,667
Effect of foreign currency exchange differences	-	-	(46,190)	(930)	-	(47,120)
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 1,656,923</u>	<u>\$ 29,096,539</u>	<u>\$ 396,970</u>	<u>\$ -</u>	<u>\$ 31,150,432</u>
Carrying amount at September 30, 2021	<u>\$ 120,906</u>	<u>\$ 2,287,606</u>	<u>\$ 4,644,999</u>	<u>\$ 229,052</u>	<u>\$ 1,619,253</u>	<u>\$ 8,901,816</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Real estate, dormitory, warehouse, and readiness room	23-35 years
Wastewater treatment area and strain tank	15-35 years
Machinery and equipment	5-12 years
Other equipment	3-12 years

No impairment loss or reversal of impairment loss was recognized for the nine months ended September 30, 2022 and 2021.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Land	\$ 38,074	\$ 7,325	\$ 8,240
Buildings	<u>13,458</u>	<u>10,032</u>	<u>12,218</u>
	<u>\$ 51,532</u>	<u>\$ 17,357</u>	<u>\$ 20,458</u>
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>
			<u>2021</u>
Additions to right-of-use assets			\$ 63,299
Depreciation charge for right-of-use assets			\$ -
Land	\$ 7,615	\$ 916	\$ 22,845
Buildings	<u>1,887</u>	<u>1,782</u>	<u>5,531</u>
	<u>\$ 9,502</u>	<u>\$ 2,698</u>	<u>\$ 28,376</u>
			<u>\$ 8,376</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2022 and 2021.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 38,179</u>	<u>\$ 7,292</u>	<u>\$ 8,409</u>
Non-current	<u>\$ 13,707</u>	<u>\$ 10,298</u>	<u>\$ 12,293</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	1.1%	1.1%	1.1%
Buildings	1.1%	1.1%	1.1%

14. INTANGIBLE ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
Technical cooperation fee	<u>\$ 7,541</u>	<u>\$ 7,963</u>	<u>\$ 6,362</u>

	For the Three Months Ended September 30	
	2022	2021
<u>Cost</u>		
Balance at January 1	\$ 10,826	\$ 7,728
Additions	<u>1,291</u>	<u>1,034</u>
Balance at September 30	<u>\$ 12,117</u>	<u>\$ 8,762</u>
<u>Accumulated amortization</u>		
Balance at January 1	\$ 2,863	\$ 1,164
Amortization expense	<u>1,713</u>	<u>1,236</u>
Balance at September 30	<u>\$ 4,576</u>	<u>\$ 2,400</u>
Carrying amount at September 30	<u>\$ 7,541</u>	<u>\$ 6,362</u>

In November 2021, January and April 2022, the Company has signed technical cooperation arrangement with Sumco Corporation and acquired the technical know-how of silicon wafer production at JPY600 thousand (NT\$146 thousand), JPY4,000 thousand (NT\$925 thousand) and JPY1,000 thousand (NT\$220 thousand) in January, May and July 2022. The amounts have been paid in 2022, and are amortized over a period of 60 months.

The Company signed a technical cooperation arrangement with Sumco Corporation with total fee of JPY4,000 thousand (NT\$1,034 thousand) in December 2020, March and April 2021, has been paid JPY4,000 thousand (NT\$1,034 thousand) in April, May and July 2021, and are amortized over a period of 60 months.

The amortized expense as for the three months ended September 30, 2022 and for the nine months ended September 30, 2022 was \$599 thousand and \$1,713 thousand. The amortization expense is recognized as technical corporation expense under operating costs.

The amortized expense as for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 was \$437 thousand and \$1,236 thousand. The amortization expense is recognized as technical corporation expense under operating costs.

15. OTHER ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
Prepayments	\$ 193,371	\$ 128,952	\$ 211,803
Others (including test fee and electricity subsidies)	<u>1,380</u>	<u>1,746</u>	<u>1,868</u>
	<u>\$ 194,751</u>	<u>\$ 130,698</u>	<u>\$ 213,671</u>
Current	\$ 193,371	\$ 128,952	\$ 211,803
Non-current	<u>1,380</u>	<u>1,746</u>	<u>1,868</u>
	<u>\$ 194,751</u>	<u>\$ 130,698</u>	<u>\$ 213,671</u>

16. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other payables			
Payable for purchase of equipment	\$ 611,546	\$ 203,333	\$ 131,016
Payable for salary and bonus	367,373	599,809	389,548
Payable for insurance	31,718	34,033	29,697
Payable for utilities	114,226	55,661	67,100
Payables for dividends	256	155	157
Others (Note)	<u>276,520</u>	<u>184,549</u>	<u>180,703</u>
	<u>\$ 1,401,639</u>	<u>\$ 1,077,540</u>	<u>\$ 798,221</u>
Other payables - related party (current)			
Payable for purchase of equipment - related party	\$ 1,023	\$ -	\$ 1,937
Payable for royalties - related party	322,496	259,423	157,138
Payable for expense - related party	<u>39,905</u>	<u>15,235</u>	<u>37,196</u>
	<u>\$ 363,424</u>	<u>\$ 274,658</u>	<u>\$ 196,271</u>

Note: Others included under other payables - current are mainly payable for project fee, pension cost, employees' compensation and taxation.

17. RETIREMENT BENEFIT PLANS

Pension costs in respect of defined benefit plans are calculated by the actuarially determined pension cost rate at the end of the prior financial year and are recognized in each period respectively as follow:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating cost	\$ 2,263	\$ 2,506	\$ 6,662	\$ 7,420
Operating expenses	<u>568</u>	<u>670</u>	<u>1,682</u>	<u>1,982</u>
	<u>\$ 2,831</u>	<u>\$ 3,176</u>	<u>\$ 8,344</u>	<u>\$ 9,402</u>

18. EQUITY

a. Share capital

Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Numbers of shares authorized (in thousands)	<u>775,697</u>	<u>775,697</u>	<u>775,697</u>
Shares authorized	<u>\$ 7,756,966</u>	<u>\$ 7,756,966</u>	<u>\$ 7,756,966</u>
Number of shares issued and fully paid (in thousands)	<u>387,848</u>	<u>387,848</u>	<u>387,848</u>
Shares issued	<u>\$ 3,878,483</u>	<u>\$ 3,878,483</u>	<u>\$ 3,878,483</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares (1)	\$ 5,739,080	\$ 5,739,080	\$ 5,739,080
<u>May be used to offset a deficit only</u>			
Dividends expired and uncollected by shareholders (2)	<u>170</u>	<u>169</u>	<u>169</u>
	<u>\$ 5,739,250</u>	<u>\$ 5,739,249</u>	<u>\$ 5,739,249</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Accounted for as capital surplus - others, may be used only to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made 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. When distributing surplus in cash, the distribution plan shall be approved by the board of directors with more than two-thirds of the directors attending the meeting and resolved by more than half of the directors, and reported such distribution to the shareholders' meeting. When distributing surplus in share dividends, the distribution plan of share dividends shall be drawn by the Company's board of directors and shall be resolved by the shareholders in the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, please refer to compensation of employees and remuneration of directors and supervisors in Note 20 (g).

The Company belongs to a high-tech capital-intensive industry that is at the fast-growing phase of product life cycle. To ensure the cash require for the Company's present and future expansion plans, the Company has 3 different methods to distribute its dividends, including cash dividends, capitalization of retained earnings, and capital surplus, and according to distributable surplus less legal and special reserve, no more than 80% of dividends are to be distributed. In principle, cash dividends are the five to be distributed, and the aggregate proportion of capitalization of retained earnings and capital surplus may not exceed 50% of total dividends.

An appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. 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 2021 and 2020 were approved in the shareholders' meetings on June 17, 2022 and July 28, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Legal reserve	\$ 139,008	\$ 131,459		
Special reserve	29,257	-		
Cash dividends	861,023	833,874	\$2.22	\$2.15

d. Others equity items

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the Group's presentation currency (NTD) are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the exchange differences on translating the financial statements of foreign operations are reclassified to profit or loss on the disposal of the foreign operation.

Unrealized gain (loss) on available-for-sale financial assets represents the cumulative gains or losses arising from the fair value measurement on available-for-sale financial assets that are recognized in other comprehensive income, excluding those available-for-sale financial assets that have been disposed of or are determined to be impaired subsequently, the related cumulative gain or loss in other comprehensive income are reclassified into profit or loss.

19. REVENUE

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Revenue from the sale of goods	<u>\$ 4,204,270</u>	<u>\$ 3,175,973</u>	<u>\$ 11,992,725</u>	<u>\$ 8,987,061</u>

Contract Balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Trade receivables (Note 9)	\$ 3,010,715	\$ 2,126,868	\$ 2,056,394	\$ 1,977,828
Contract liabilities - current	\$ 747,673	\$ 126,870	\$ 225,934	\$ 153,973
Contract liabilities - non-current	\$ 5,125,794	\$ -	\$ -	\$ -

20. NET INCOME

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	\$ 39,951	\$ 4,953	\$ 62,587	\$ 14,525
Financial assets at amortized cost	-	172	-	1,231
Others	<u>1</u>	<u>-</u>	<u>9</u>	<u>14</u>
	<u>\$ 39,952</u>	<u>\$ 5,125</u>	<u>\$ 62,596</u>	<u>\$ 15,770</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Dividend income	\$ 12	\$ 2	\$ 12	\$ 2
Others (including commission income, etc.)	<u>3,297</u>	<u>4,158</u>	<u>9,722</u>	<u>9,232</u>
	<u>\$ 3,309</u>	<u>\$ 4,160</u>	<u>\$ 9,734</u>	<u>\$ 9,234</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Net foreign exchange gains (losses)	\$ 498,239	\$ (15,790)	\$ 842,243	\$ (142,456)
Gains (losses) on disposal of property, plant and equipment	80	-	80	(23)
Others	<u>(374)</u>	<u>(174)</u>	<u>(788)</u>	<u>(233)</u>
	<u>\$ 497,945</u>	<u>\$ (15,964)</u>	<u>\$ 841,535</u>	<u>\$ (142,712)</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Interest on lease liabilities	\$ 160	\$ 60	\$ 545	\$ 212
Other interest expenses	<u>39</u>	<u>17</u>	<u>118</u>	<u>109</u>
	<u>\$ 199</u>	<u>\$ 77</u>	<u>\$ 663</u>	<u>\$ 321</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
An analysis of depreciation by function				
Operating costs	\$ 497,680	\$ 489,430	\$ 1,524,335	\$ 1,543,321
Operating expenses	<u>3,351</u>	<u>2,963</u>	<u>9,723</u>	<u>8,722</u>
	<u>\$ 501,031</u>	<u>\$ 492,393</u>	<u>\$ 1,534,058</u>	<u>\$ 1,552,043</u>
An analysis of amortization by function				
Operating costs	\$ 599	\$ 518	\$ 1,713	\$ 2,320
Operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 599</u>	<u>\$ 518</u>	<u>\$ 1,713</u>	<u>\$ 2,320</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Post-employment benefits (Note 17)				
Defined contribution plans	\$ 16,358	\$ 14,845	\$ 48,254	\$ 44,360
Defined benefit plans	<u>2,831</u>	<u>3,176</u>	<u>8,344</u>	<u>9,402</u>
	19,189	18,021	56,598	53,762
Salary and bonus etc.	<u>456,678</u>	<u>475,227</u>	<u>1,348,246</u>	<u>1,291,008</u>
	<u>\$ 475,867</u>	<u>\$ 493,248</u>	<u>\$ 1,404,844</u>	<u>\$ 1,344,770</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 413,280	\$ 437,328	\$ 1,228,447	\$ 1,193,932
Operating expenses	<u>62,587</u>	<u>55,920</u>	<u>176,397</u>	<u>150,838</u>
	<u>\$ 475,867</u>	<u>\$ 493,248</u>	<u>\$ 1,404,844</u>	<u>\$ 1,344,770</u>

g. Employees' compensation and remuneration to directors and supervisors

The Company accrued employees' compensation at the rates no less than 0.05% and no higher than 0.5%, respectively, of net profit before income tax and employees' compensation. For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the employees' compensation were as follows:

Accrual rate

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Compensation of employees	0.30%	0.30%	0.30%	0.30%
Remuneration of directors and supervisors	-	-	-	-

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Compensation of employees	\$ 5,742	\$ 1,582	\$ 14,283	\$ 3,708
Remuneration of directors and supervisors	\$ -	\$ -	\$ -	\$ -

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 appropriations for employees' compensation and remuneration of directors and supervisors for 2021 and 2020 having been resolved by the board of directors March 4, 2022 and March 23, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation	\$ 5,055	\$ 4,647
Remuneration of directors and supervisors	-	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Foreign exchange gains	\$ 532,612	\$ 30,493	\$ 936,991	\$ 103,187
Foreign exchange losses	<u>(34,373)</u>	<u>(46,283)</u>	<u>(94,748)</u>	<u>(245,643)</u>
Net gains (losses)	<u>\$ 498,239</u>	<u>\$ (15,790)</u>	<u>\$ 842,243</u>	<u>\$ (142,456)</u>

21. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	\$ 385,598	\$ 113,827	\$ 942,704	\$ 208,761
Income tax expense of unappropriated earnings	-	-	-	17,463
Adjustments for prior year	(29,011)	-	(28,681)	973
Deferred tax				
In respect of the current year	<u>3,923</u>	<u>(7,443)</u>	<u>7,850</u>	<u>(13,952)</u>
Income tax expense recognized in profit or loss	<u>\$ 360,510</u>	<u>\$ 106,384</u>	<u>\$ 921,873</u>	<u>\$ 213,245</u>

b. Income tax assessments

The income tax returns through 2020 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Net income	<u>\$ 1,544,500</u>	<u>\$ 427,480</u>	<u>\$ 3,826,259</u>	<u>\$ 1,029,156</u>

Unit: Thousand Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares in the computation of basic earnings per share (in thousands)	387,848	387,848	387,848	387,848
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>116</u>	<u>53</u>	<u>108</u>	<u>33</u>
Weighted average number of ordinary shares used for computation of diluted earnings per share (in thousands)	<u>387,964</u>	<u>387,901</u>	<u>387,956</u>	<u>387,881</u>

The Group may settle bonuses or compensation paid to employees in shares or cash; therefore, the Group assumed the entire amount of the bonus or compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

23. CAPITAL MANAGEMENT

In consideration of the prevailing industry dynamics and the future development as well as the changes in the external economic environment, the Group manages its working capital and dividend payments in the future, to ensure that the Group will be able to continue as going concern while maximizing the returns to shareholders as well as other related parties through the optimization of capital structure.

The Group could make adjustment to dividends or issue shares in order to maintain or adjust the capital structure.

24. FINANCIAL INSTRUMENTS

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

The Group's management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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

Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Equity securities				
Listed shares and emerging market shares	\$ 269	\$ -	\$ -	\$ 269

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Equity securities				
Listed shares and emerging market shares	\$ 311	\$ -	\$ -	\$ 311

September 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Equity securities				
Listed shares and emerging market shares	\$ 322	\$ -	\$ -	\$ 322

There were no transfers between Levels 1 and 2 in the current and prior periods.

- c. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 15,826,922	\$ 11,412,912	\$ 10,774,108
Financial assets at FVTOCI			
Equity instruments	269	311	322
<u>Financial liabilities</u>			
Amortized cost (2)	2,525,196	1,273,745	1,142,867

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables (excluding sales tax refund receivables), and refundable deposits.

- 2) The balances included financial liabilities at amortized cost, which comprise trade payables, other payables (excluding payable for salary and bonus, employees' compensation, pension cost, dividends and taxation), and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, less liabilities, and bank borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

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

a) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollars (USD) and Japanese Yen (JPY).

The following table details the Group's sensitivity to a 10% increase and decrease in NTD (the functional currency) against the relevant foreign currencies. 10% 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 adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates an increase (decrease) in pre-tax profit associated with NTD weakening 10% against the relevant currency. For a 10% strengthening of NTD assets (liabilities) against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD Impact		JPY Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Profit or loss	\$ 694,977 (i)	\$ 357,064 (i)	\$ (22,966) (ii)	\$ (20,451) (ii)

i. This was mainly attributable to the exposure outstanding on USD cash and cash equivalents, receivables and trade payables, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure to outstanding on cash, receivables and payables in JPY, which were not hedged, at the end of the reporting period.

The Group's sensitivity to U.S. dollars (USD) increased during the current year mainly due to the decrease of USD time receivables. In addition, the Group's sensitivity to Japanese Yen (JPY) has no major difference for the nine months ended September 30, 2022 and 2021.

b) Interest rate risk

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

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial assets	\$ 12,074,153	\$ 8,673,003	\$ 7,808,545
Cash flow interest rate risk			
Financial assets	726,163	607,533	904,235

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% 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.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2022 would increase/decrease by \$5,446 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank deposits.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2021 would increase/decrease by \$6,782 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank deposits.

The Group's sensitivity to interest rates has no major difference for the nine months ended September 30, 2022 and 2021.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for the clients with trade receivables accounting for 10% of total monetary assets. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the nine months ended September 30, 2022, the year ended December 31, 2021, and the nine months ended September 30, 2021.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents, highly liquid marketable securities, and sufficient bank borrowings deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity and interest risk rate table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed 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. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate at the end of the reporting period.

September 30, 2022

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,975,045	\$ -	\$ -	\$ -
Lease liabilities	<u>19,041</u>	<u>19,138</u>	<u>13,707</u>	<u>-</u>
	<u>\$ 1,994,086</u>	<u>\$ 19,138</u>	<u>\$ 13,707</u>	<u>\$ -</u>
	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 38,179</u>	<u>\$ 13,707</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2021

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,273,745	\$ -	\$ -	\$ -
Lease liabilities	<u>3,819</u>	<u>3,473</u>	<u>10,298</u>	<u>-</u>
	<u>\$ 1,277,564</u>	<u>\$ 3,473</u>	<u>\$ 10,298</u>	<u>\$ -</u>

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 7,292</u>	<u>\$ 10,298</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2021

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 1,142,651 <u>4,706</u>	\$ - <u>3,703</u>	\$ - <u>12,293</u>	\$ - <u>-</u>
	<u>\$ 1,147,357</u>	<u>\$ 3,703</u>	<u>\$ 12,293</u>	<u>\$ -</u>

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 8,409</u>	<u>\$ 12,293</u>	<u>\$ -</u>	<u>\$ -</u>

The following table details the Group's expected maturity for some of its non-derivative financial assets. The tables below had been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

September 30, 2022

	1-6 Months	6 Months to 1 Year
<u>Non-derivative financial assets</u>		
Non-interest bearing	\$ 3,024,418	\$ -
Variable interest rate assets	726,217	-
Fixed interest rate assets	<u>12,088,040</u>	<u>-</u>
	<u>\$ 15,838,675</u>	<u>\$ -</u>

December 31, 2021

	1-6 Months	6 Months to 1 Year
<u>Non-derivative financial assets</u>		
Non-interest bearing	\$ 2,132,376	\$ -
Variable interest rate assets	607,535	-
Fixed interest rate assets	<u>8,674,707</u>	<u>-</u>
	<u>\$ 11,414,618</u>	<u>\$ -</u>

September 31, 2021

	1-6 Months	6 Months to 1 Year
<u>Non-derivative financial assets</u>		
Non-interest bearing	\$ 2,059,754	\$ -
Variable interest rate assets	904,300	-
Fixed interest rate assets	<u>7,810,824</u>	<u>-</u>
	<u>\$ 10,774,878</u>	<u>\$ -</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and its related parties are disclosed below.

a. Related parties name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Sumco Corporation	Ultimate parent company
Sumco Techxiv Corporation	Parent of the Company
Sumco Technology Corporation	Sister company (subsidiary of Sumco Corporation)
Formosa Plastic Corporation	Investor with significant influence over the Group (equity-method investor holding 29.05% of the equity of the Company)
Formosa Technologies Corporation	Other (a director is the chairman of the Company)
Formosa Daikin Advanced Chemicals Co., Ltd.	Other (same chairman)
Formosa Heavy Industries Corporation	Other (same chairman)

b. Operating transaction

1) Sale of good

Line Items	Related Party Category	For the Three Months Ended September 30		For the Six Months Ended September 30	
		2022	2021	2022	2021
Sales	Ultimate parent company (Sumco Corporation)	\$ 284,277	\$ 198,718	\$ 748,114	\$ 361,197
	Parent entity (Sumco Techxiv Corporation)	<u>543,191</u>	<u>484,861</u>	<u>1,526,399</u>	<u>1,358,541</u>
		<u>\$ 827,468</u>	<u>\$ 683,579</u>	<u>\$ 2,274,513</u>	<u>\$ 1,719,738</u>

The transaction prices are based on mutual agreement. The credit terms are from the day the related party confirms the sale: (a) 60 days - parent company; (b) 55 days - ultimate parent company.

2) Purchases of good

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Ultimate parent company (Sumco Corporation)	\$ 153,526	\$ 157,482	\$ 450,251	\$ 479,322
Parent company of the Company (Sumco Techxiv Corporation)	6,661	8,240	13,852	25,020
Investor with significant influence over the Group (Formosa Plastic Corporation)	12,417	6,700	34,665	17,058
Others (same chairman or a director is the chairman of the Company)	<u>4,940</u>	<u>5,542</u>	<u>15,413</u>	<u>16,271</u>
	<u>\$ 177,544</u>	<u>\$ 177,964</u>	<u>\$ 514,181</u>	<u>\$ 537,671</u>

The transaction prices are based on mutual agreement. Payments are due within the following number of days from the receipt of the Group's goods: (a) 30 to 70 days - parent company; (b) 30 to 120 days - ultimate parent company; (c) immediately upon delivery - all other related parties.

3) Receivables from related parties

Line Items	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Trade receivable	Ultimate parent company (Sumco Corporation)	\$ 201,079	\$ 131,392	\$ 133,895
	Parent entity (Sumco Techxiv Corporation)	<u>371,509</u>	<u>325,336</u>	<u>305,796</u>
		<u>\$ 572,588</u>	<u>\$ 456,728</u>	<u>\$ 439,691</u>

4) Payables to related parties

Line Items	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Trade payables	Ultimate parent company (Sumco Corporation)	\$ 115,816	\$ 104,471	\$ 117,226
	Parent entity (Sumco Techxiv Corporation)	2,761	2,947	1,453
	Investor with significant influence over the Group (Formosa Plastic Corporation)	4,095	3,429	2,341
	Others (same chairman or a director is the chairman of the Company)	<u>390</u>	<u>1,304</u>	<u>1,088</u>
		<u>\$ 123,062</u>	<u>\$ 122,151</u>	<u>\$ 122,108</u>

The outstanding trade payables to related parties are unsecured and will be paid by cash. The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

c. Commission income, selling waste income, other income and other receivables - related parties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Ultimate parent company (commission income, accounted for as other revenue; accounted for as deduction of operating costs)	\$ 804	\$ 578	\$ 2,021	\$ 2,262
Sister company (selling waste income, accounted for as deduction of operating cost)	3,499	3,303	9,429	10,406
Investor with significant influence over the Group (other income)	<u>251</u>	<u>40</u>	<u>1,235</u>	<u>615</u>
	<u>\$ 4,554</u>	<u>\$ 3,921</u>	<u>\$ 12,685</u>	<u>\$ 13,283</u>
Line Items	September 30, 2022	December 31, 2021	September 30, 2021	
<u>Other receivables</u>				
Ultimate parent company	\$ 457	\$ -	\$ 155	
Sister company	<u>1,429</u>	<u>1,221</u>	<u>1,214</u>	
	<u>\$ 1,886</u>	<u>\$ 1,221</u>	<u>\$ 1,369</u>	

d. Lease arrangements - the Group is lessee

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Acquisition of right-of-use assets</u>				
Investors with significant influence over the Group (Formosa Plastic Corporation)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,262</u>	<u>\$ -</u>

Line Item	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities	Ultimate parent company (Sumco Corporation)	\$ 6,717	\$ 9,777	\$ 10,947
	Investors with significant influence over the Group (Formosa Plastic Corporation)	<u>42,492</u>	<u>7,446</u>	<u>9,207</u>
		<u>\$ 49,209</u>	<u>\$ 17,223</u>	<u>\$ 20,154</u>

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Interest expense</u>				
Ultimate parent company (Sumco Corporation)	\$ 20	\$ 29	\$ 69	\$ 105
Investors with significant influence over the Group (Formosa Plastic Corporation)	<u>132</u>	<u>28</u>	<u>466</u>	<u>100</u>
	<u>\$ 152</u>	<u>\$ 57</u>	<u>\$ 535</u>	<u>\$ 205</u>

The rent to the investors with significant influence over the Group (Formosa Plastic Corporation) for the lease of land and offices with 2-year lease term in January 2022 and 2021 is based on the price agreed by the parties and paid monthly.

The rent to the ultimate parent company (Sumco Corporation) for the lease of factory with 5-year lease term in January 2020 is based on the price agreed by the parties and paid in monthly, The rent to the related parties for the lease of land and offices with 5-year lease term respectively in January 2020 is based on the price agreed by the parties and paid in six-month periods.

e. Loans to related parties

The Company has issued loans to the investor with significant influence over the Group (Formosa Plastic Corporation) which totaled \$316,494 thousand. The Company provided the investor with significant influence over the Group with loans at interest rate of 1%, which were unsecured and has been recovered before June 30, 2022. The interest income from loan to the investor with significant influence over the Group (Formosa Plastic Corporation) were \$0 thousand and \$9 thousands for the three months ended September 30, 2022 and for the nine months ended September 30, 2022.

The Company has issued loans to the investor with significant influence over the Group (Formosa Plastic Corporation) which totaled \$495,686 thousand. The Company provided the investor with significant influence over the Group with loans at interest rate of 1%, which were unsecured and has been recovered before June 30, 2021. The interest income from loan to the investor with significant influence over the Group (Formosa Plastic Corporation) were \$0 thousand and \$14 thousands for the three months ended September 30, 2021 and for the nine months ended September 30, 2021.

f. Loans from related parties

Japan Formosa Sumco Technology Corporation obtained loan from the investor with significant influence over the Group (Formosa Plastic Corporation) totaled \$316,494 thousand at interest rate of 1% on June 9, 2021, the loan is unsecured and has been repaid by Japan Formosa Sumco Technology Corporation before June 30, 2021. The interest expense paid to the investor with significant influence over the Group (Formosa Plastic Corporation) for the three months ended September 30, 2022 and for the nine months ended September 30, 2022 were \$0 thousand and \$9 thousand.

Japan Formosa Sumco Technology Corporation obtained loan from the investor with significant influence over the Group (Formosa Plastic Corporation) totaled \$495,686 thousand at interest rate of 1% on June 9, 2020, the loan is unsecured and has been repaid by Japan Formosa Sumco Technology Corporation before September 30, 2020. The interest expense paid to the investor with significant influence over the Group (Formosa Plastic Corporation) for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 were \$0 thousand and \$14 thousand.

g. Other transactions with related parties

1) Manufacturing expense and accrued expenses - related parties

The repairs and maintenance expenses the Group paid to the other related party (Formosa Technologies Corporation) were \$5,346 thousand and \$5,346 thousand for the three months ended September 30, 2022 and 2021, respectively; \$16,038 thousand and \$16,184 thousand for the nine months ended September 30, 2022 and 2021, respectively. The transaction amounts were based on mutual agreement, and settled within the year.

The repairs and maintenance expenses which the Group paid to the other related party (Formosa Heavy Industry Corporation) were \$318 thousand and \$0 thousand for the three months ended September 30, 2022 and 2021, respectively; \$644 thousand and \$2,205 thousand for the nine months ended September 30, 2021 and 2021, respectively. The transaction amounts were based on mutual agreement, and settled within the year.

The production cost paid by the Group to its ultimate parent company (Sumco Corporation) were \$53,419 thousand and \$49,571 thousand for the three months ended September 30, 2022 and 2021, respectively; \$157,904 thousand and \$141,967 thousand for the nine months ended September 30, 2022 and 2021, respectively. The unpaid amount has been recognized as accrued expenses - related parties of \$39,905 thousand, \$15,235 thousand and \$37,196 thousand, as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively, and will be paid in the next month.

2) Acquisitions of equipment and payable for purchase of equipment - related parties

The Group acquired production equipment from its ultimate parent company (Sumco Corporation) with contract price of \$1,468 thousand for the nine months ended September 30, 2022. The payable balance of \$711 thousand, as of September 30, 2022, accounted for as payable for equipments to related parties (other payable), and will be paid upon receipt.

The Group acquired video conference network system, digitized control system and data acquisition system from inventor with significant influence over the Group (Formosa Plastic Corporation) for the nine months ended September 30, 2022 with contract price of \$470 thousand, \$1,400 thousand and \$1,155 thousand, has been paid upon receipt.

The Group acquired production equipment from other related parties (Formosa Heavy Industries Corporation) for the nine months ended September 30, 2022 with contract price of \$225,295 thousand, has been paid upon receipt.

The Group acquired computer application software from other related parties (Formosa Technologies Corporation) for the nine months ended September 30, 2022 with contract price of \$3,829 thousand. The payable balance of \$312 thousand, as of September 30, 2022, accounted for as payable for equipments to related parties (other payable), and will be paid upon receipt.

The Group acquired video conference network system and distributed control system DCS from inventor with significant influence over the Group (Formosa Technologies Corporation) for the nine months ended September 30, 2021 with contract price of \$3,294 thousand, has been paid upon receipt.

The Group acquired software package from other related parties (Formosa Technologies Corporation) for the nine months ended September 30, 2021 with contract price of \$4,191 thousand, has been paid upon receipt.

The Group replaced manufacturing process control system from other related parties (Formosa Technologies Corporation) for the year ended December 31, 2020 with contract price of \$54,000 thousand, which was recognized as payable for equipments to related parties (other payable) has been paid upon receipt in 2021.

The Group acquired a warehouse management system from other related parties (Formosa Technologies Corporation) for the year ended December 31, 2019 with contract price of \$72,790 thousand, has been paid upon receipt in 2021.

3) Other transactions

In November 2021, January and April 2022, the Company has signed technical compensation arrangement with its ultimate parent company (Sumco Corporation) and acquired the technical know-how of silicon wafer production at JPY600 thousand (NT\$146 thousand), JPY4,000 thousand (NT\$925 thousand) and JPY1,000 thousand (NT\$220 thousand) in January, May and July 2022. The amount have been paid in 2022, and been amortized over a period of 60 months. The technical know-how of silicon wafer production was recognized as intangible assets (refer to Note 14).

In December 2020, March and April 2021, the Company has signed technical compensation arrangement with its ultimate parent company (Sumco Corporation) and acquired the technical know-how of silicon wafer production worth JPY4,000 thousand (NT\$1,034 thousand) in December 2020, March and April 2021, has been paid JPY4,000 thousand (NT\$1,034 thousand) in April, May and July 2021 and was recognized as intangible assets (refer to Note 14).

Under an existing agreement effective since from 2003, the Company is obligated to pay recurring royalty fees to its parent company (Sumco Techxiv Corporation). The royalty fee was recognized as selling expenses from January 1 to September 30, 2022 and 2021. The unpaid amount as of September 30, 2022, December 31, 2021 and September 30, 2021 was recognized as accrued expenses (other payables) and will be paid in February of the following year.

In August 2010, the Company signed a technical right and support contract with its ultimate parent company (Sumco Corporation). Under this contract, the Company receives support from the ultimate parent company in technical know-how and assistance in manufacturing of silicon wafer semiconductors. The Company has the obligation to pay recurring royalty fees to the ultimate parent company. The royalty fee was recognized as technical commission fees classified under selling expenses from January 1 to September 30, 2022 and 2021. The unpaid amounts as of September 30, 2022, December 31, 2021 and September 30, 2021, were recognized as royalties payable to related parties (other payables) and will be paid in February of the subsequent year.

The above-mentioned selling expenses and accrued expenses (other payables) resulted from transactions with related parties are summarized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Selling expenses (technical support expense)</u>				
Parent entity (Sumco Techxiv Corporation)	\$ 6,142	\$ 4,783	\$ 17,605	\$ 13,766
Ultimate parent company (Sumco Corporation)	<u>108,132</u>	<u>51,604</u>	<u>304,891</u>	<u>143,372</u>
	<u>\$ 114,274</u>	<u>\$ 56,387</u>	<u>\$ 322,496</u>	<u>\$ 157,138</u>
	September 30, 2022	December 31, 2021	September 30, 2021	
<u>Payable for royalties (other payables)</u>				
Parent entity (Sumco Techxiv Corporation)	\$ 17,605	\$ 18,375	\$ 13,766	
Ultimate parent entity (Sumco Corporation)	<u>304,891</u>	<u>241,048</u>	<u>143,372</u>	
	<u>\$ 322,496</u>	<u>\$ 259,423</u>	<u>\$ 157,138</u>	

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 1,879	\$ 2,120	\$ 5,617	\$ 5,745
Post-employment benefits	27	26	80	78
Other long-term employee benefits	<u>6</u>	<u>3</u>	<u>15</u>	<u>10</u>
	<u>\$ 1,912</u>	<u>\$ 2,149</u>	<u>\$ 5,712</u>	<u>\$ 5,833</u>

The remuneration of directors and other key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 2022 were as follow:

The newly purchased machinery and equipment are exempt from tariff. Under the “estimated useful lives of fixed assets” enacted by Executive Yuan, should there be any capital reduction or other transfer of the machinery, equipment or components mentioned above to third party, except those transfer to permitted business, the Company should pay supplementary import duties of the fixed assets.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the major construction projects and property, plant and equipment signed or ordered by the company but have not been accepted were \$7,377,186 thousand, \$0 thousand and \$0 thousand.

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 237,593	31.743 (USD:NTD)	\$ 7,541,924
JPY	80,931	0.2193 (JPY:NTD)	<u>17,748</u>
			<u>\$ 7,559,672</u>
<u>Financial liabilities</u>			
Monetary items			
USD	15,735	31.743 (USD:NTD)	\$ 499,469
USD	2,920	144.747 (USD:JPY)	92,682
JPY	1,128,187	0.2193 (JPY:NTD)	<u>247,411</u>
			<u>\$ 839,562</u>

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 137,542	27.690 (USD:NTD)	\$ 3,808,548
JPY	162,899	0.2404 (JPY:NTD)	<u>39,161</u>
			<u>\$ 3,847,709</u>
<u>Financial liabilities</u>			
Monetary items			
USD	11,687	27.690 (USD:NTD)	\$ 323,606
USD	2,409	115.183 (USD:JPY)	66,697
JPY	1,189,298	0.2404 (JPY:NTD)	<u>285,907</u>
			<u>\$ 676,210</u>

September 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 144,706	27.866 (USD:NTD)	\$ 4,032,391
JPY	193,560	0.2488 (JPY:NTD)	<u>48,158</u>
			<u>\$ 4,080,549</u>
<u>Financial liabilities</u>			
Monetary items			
USD	14,697	27.866 (USD:NTD)	\$ 409,543
USD	1,874	112.002 (USD:JPY)	52,208
JPY	1,015,549	0.2488 (JPY:NTD)	<u>252,668</u>
			<u>\$ 714,419</u>

The Group is mainly exposed to the USD and JPY. For the significant realized and unrealized foreign exchange gains (losses), please refer to Notes 20 (c) and (h).

28. DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 2)
- 4) Marketable securities acquired and disposed at costs or prices 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. (None)
- 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. (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Note 25 and Table 5)

11) Information on investees. (Table 6)

b. Information on investments in mainland China

None.

c. 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 7)

29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods. The Group's only reportable segment for the nine months ended September 30, 2022 and 2021 is the silicon wafer segment as the Group's main activities are manufacturing and selling of silicon wafer electronic products. The accounting policy of the reportable segment is the same as Note 4 "summary of significant accounting policies".

a. Segment revenues and results

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

	Segment Revenue		Segment Profit and Loss	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Silicon wafer segment	<u>\$ 11,992,725</u>	<u>\$ 8,987,061</u>	\$ 4,739,186	\$ 1,233,400
Dividend income			12	2
Miscellaneous income			9,722	9,232
Miscellaneous expense			<u>(788)</u>	<u>(233)</u>
Profit before tax			<u>\$ 4,748,132</u>	<u>\$ 1,242,401</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the nine months ended September 30, 2022 and 2021.

Segment profit represents the profit earned by silicon wafer segment without dividend income and allocation of miscellaneous income (included in non-operating income), miscellaneous expense (included in other profit and loss) and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The Group's assets and liabilities information is not reported to chief management decision maker on a regular basis. Therefore, all the assets and liabilities are not allocated to the reportable segment.

TABLE 1

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrower	Total Financing Amount Limits	Note
													Item	Value			
0	Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Receivables from related parties	Yes	\$ 694,250 (Notes 3 and 4)	\$ 694,250 (Notes 3 and 4)	\$ 345,471 (Note 6)	1.00%	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 2,378,381 (Note 7)	\$ 11,891,905 (Note 9)	
		Formosa Plastic Corporation	Receivables from related parties	Yes	694,250 (Notes 3 and 4)	- (Notes 3 and 5)	- (Note 5)	1.00%	2	-	Operating capital	-	None	-	5,945,952 (Note 8)	11,891,905 (Note 9)	

Note 1: a. “0” financing provide.
b. “1” and onward coded based on reduce of companies inverted.

Note 2: a. “1” with trade transaction.
b. “2” the need for short-term financing.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note 4: Financing period for Japan Formosa Technology Corporation from June 10, 2022 to June 9, 2023.

Note 5: The Company recovered a \$316,494 thousand loan from Formosa Plastic Corporation before June 30, 2022.

Note 6: The amount was eliminated upon consolidation.

Note 7: For short-term financing requirements, the financing limits for each borrowing company should not exceed 10% of Formosa Sumco Technology Corp.’s net worth.

Note 8: For short-term financing requirements, the financing limits for each borrowing company should not exceed 25% of Formosa Sumco Technology Corp.’s net worth.

Note 9: The maximum total financing provided should not exceed 50% of Formosa Sumco Technology Corp.’s net worth

TABLE 2

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Marketable Securities Type and Name (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	Ending Balance				Note
				Shares	Carrying Value (Note 3)	Percentage of Ownership (%)	Fair Value	
Formosa Sumco Technology Corporation	<u>Shares</u> Formosa Petrochemical Corporation		Financial assets at FVTOCI	3,247	\$ 269		\$ 269	

Note 1: The marketable securities, listed above includes shares, bonds, beneficiary certifiable, and all form of securities listed under IFRS 9: Financial Instruments.

Note 2: The issuer of security is unrelated party. Hence, no descriptions of relationship.

Note 3: The carrying value equals the original cost of \$38 thousand pluses year-end evaluation of \$231 thousand.

Note 4: Please refer to Table 6 for further information above investee.

TABLE 3

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Formosa Sumco Technology Corporation	Sumco Corporation	Ultimate parent company of Formosa Sumco Technology Corporation	Purchase	\$ 407,778	6.63	30 to 120 days from the receipt of the Company's goods	No significant difference	No significant difference	\$ (105,992)	(16.18)	
	Sumco Corporation	Ultimate parent company of Formosa Sumco Technology Corporation	Sale	748,114	6.24	Net 55 days from the end of the month of when invoice is issued	No significant difference	No significant difference	201,079	6.68	
	Sumco Techxiv Corporation	Parent company of Formosa Sumco Technology Corporation	Sale	1,526,399	12.73	Net 60 days from the end of the month of when invoice is issued	No significant difference	No significant difference	371,509	12.34	
	Japan Formosa Sumco Technology Corporation	Subsidiary of Formosa Sumco Technology Corporation	Purchase	479,892	7.81	70 days receipts of the Company's goods	No significant difference	No significant difference	(151,324)	(23.09)	Note
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	Sale	479,892	100.00	70 days receipts of the Company's goods	No significant difference	No significant difference	151,324	100.00	Note

Note: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Formosa Sumco Technology Corporation	Sumco Techxiv Corporation Sumco Corporation	Parent company	\$ 371,509	5.84	\$ -	-	\$ 169,737	\$ -
		Ultimate parent company	201,079	6.00	-	-	99,117	-
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	151,324 (Note 2)	3.90	-	-	54,129	-
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Subsidiary	345,965 (Notes 1 and 2)	Not applicable	-	-	-	-

Note 1: The Company issued loan to Japan Formosa Sumco Technology Corporation which includes principal \$345,471 thousand and interest \$494 thousand.

Note 2: The amount was eliminated upon consolidation.

TABLE 5

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Relationship	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
0	The Company	Japan Formosa Sumco Technology Corporation	Subsidiary	Purchases of goods	\$ 479,892	General terms	4.00
		"	"	Interest income	2,591	General terms	0.02
		"	"	Trade payables	151,324	General terms	0.44
		"	"	Other receivables (include interest receivables)	345,965	General terms	1.01

Note 1: The intercompany relationships are coded as blow:

a. “0” parent company
b. “1” and above coded based on the type of intercompany relationship.

Note 2: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of September 30, 2022, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the nine months ended September 30, 2022.

Note 3: The amount was eliminated upon consolidation.

TABLE 6

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
SEPTEMBER 30, 2022
(In Thousands of Foreign Currency/New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2022	December 31, 2021	Shares	%	Carrying Amount			
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Japan	Manufacture, selling and other related business of high quality ingot	JPY 998,000 NT\$ 248,390	JPY 998,000 NT\$ 248,390	9,980	100	JPY 1,556,432 NT\$ 332,517	JPY (21,457) NT\$ (4,231)	JPY 39,801 NT\$ 5,415	Notes 1 and 2

Note 1: Carrying amount and share of profits (loss) is calculated from the financial statement audited by independent accountant and the percentage of ownership of investor company.

Note 2: The share of profits (losses) of investee includes the effect of unrealized gross profit on intercompany transaction.

Note 3: Intercompany balances and transactions between investor company and investee company have been eliminated upon consolidation.

TABLE 7**FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sumco Techxiv Corporation	176,742,849	45.57
Formosa Plastic Corporation	112,707,716	29.05
Asia Pacific Investment Corporation	34,675,146	8.94

Note: The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation on the last business day of the end of the quarter, and the total number of ordinary shares and special shares held by the shareholders that have been delivered by the company without physical registration (including treasury shares) is more than 5%. The share capital recorded in the company's consolidated financial report and the actual number of shares delivered without physical registration may be different due to the basis of preparation and calculation.