Formosa Sumco Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024, are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

FORMOSA SUMCO TECHNOLOGY CORPORATION

By

WEN-BEE KUO
Chairman

March 12, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Formosa Sumco Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Formosa Sumco Technology Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements is as follows:

Revenue Recognition

The Group mainly manufactures and sells silicon wafers. For some of the major clients, the Group recognizes sales revenue when the goods are delivered to the client's designated location and the client actually reconciles and uses the goods in accordance with the agreement. Since the above-mentioned sales revenue is significant for the year ended December 31, 2024, we identified the occurrence of revenue recognition for the aforementioned type of sales revenue has been deemed as a key audit matter for the year ended December 31, 2024.

To address this matter, we evaluated the Group's revenue recognition policy and the relevant design and implementation of internal controls for this type of revenue. We also performed tests of related controls and substantive tests, selected samples of revenue for this type of sale, verified them against sales reports, the clients' transaction statements and related documents, and confirmed that the transactions for this type of sale did occur.

Other Matter

We have also audited the parent company only financial statements of Formosa Sumco Technology Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee and supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors’ report are Ching-Ting Yang and Wen-Yuan Chuang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

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

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

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 4,691,406	9	$ 4,320,704	9
Trade receivables from unrelated parties (Notes 4, 8, and 19)	1,602,387	3	2,879,285	6
Trade receivables from related parties (Notes 4, 8, 19 and 25)	446,309	1	308,549	1
Other receivables from unrelated parties (Notes 4 and 8)	86,591	-	191,583	-
Other receivables from related parties (Notes 4, 8 and 25)	1,547	-	926	-
Inventories (Notes 4, 5 and 9)	3,617,309	7	3,725,470	8
Prepayments (Notes 4 and 14)	142,707	-	153,940	-
Total current assets	10,588,256	20	11,580,457	24
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	112	-	262	-
Property, plant and equipment (Notes 4, 11, 25 and 26)	42,319,378	79	36,614,128	74
Right-of use assets (Notes 4, 12 and 25)	29,009	-	22,472	-
Intangible assets (Notes 4, 13 and 25)	3,485	-	5,860	-
Deferred tax assets (Notes 4 and 21)	292,066	1	349,705	1
Prepayments for equipment (Note 4)	187,073	-	568,182	1
Refundable deposits (Note 4)	180	-	42,324	-
Other non-current assets (Notes 4 and 14)	1,937	-	2,887	-
Total non-current assets	42,833,240	80	37,605,820	76
TOTAL	$ 53,421,496	100	$ 49,186,277	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	$ 2,070,000	4	$ -	-
Contract liabilities - current (Notes 4 and 19)	639,822	1	2,252,241	5
Trade payables to unrelated parties (Note 4)	319,260	1	423,191	1
Trade payables to related parties (Notes 4 and 25)	222,567	-	48,174	-
Other payables to unrelated parties (Notes 4, 16 and 20)	2,373,113	5	4,106,221	8
Other payables to related parties (Notes 4, 16 and 25)	488,567	1	669,913	1
Current tax liabilities (Notes 4 and 21)	110,044	-	902,506	2
Lease liabilities - current (Notes 4, 12 and 25)	6,875	-	7,414	-
Other current liabilities	40,310	-	14,654	-
Total current liabilities	6,270,558	12	8,424,314	17
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Notes 4 and 19)	2,221,099	4	2,841,870	6
Long-term borrowings (Notes 4 and 15)	19,250,000	36	11,500,000	23
Deferred tax liabilities (Notes 4 and 21)	37,070	-	29,560	-
Lease liabilities - non-current (Notes 4, 12 and 25)	22,275	-	15,156	-
Net defined benefit liabilities - non-current (Notes 4 and 17)	208,589	1	335,562	1
Guarantee deposits (Note 4)	553,225	1	550,136	1
Other non-current liabilities	52,955	-	40,828	-
Total non-current liabilities	22,345,213	42	15,313,112	31
Total liabilities	28,615,771	54	23,737,426	48
EQUITY (Notes 4, 18 and 23)				
Share capital				
Ordinary shares	3,878,483	7	3,878,483	8
Capital surplus	5,739,321	11	5,739,308	12
Retained earnings				
Legal reserve	3,396,199	6	3,049,367	6
Special reserve	65,842	-	45,560	-
Unappropriated earnings	11,804,950	22	12,801,975	26
Total retained earnings	15,266,991	28	15,896,902	32
Other equity	(79,070)	-	(65,842)	-
Total equity	24,805,725	46	25,448,851	52
TOTAL	$ 53,421,496	100	$ 49,186,277	100

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 19, 25 and 29)	$ 12,421,635	100	$ 14,876,233	100
OPERATING COSTS (Notes 9, 13, 17, 20 and 25)	(9,759,800)	(79)	(9,849,138)	(66)
GROSS PROFIT	2,661,835	21	5,027,095	34
OPERATING EXPENSES (Notes 17, 20 and 25)				
Marketing	(600,081)	(5)	(590,834)	(4)
Administrative	(455,676)	(3)	(358,215)	(3)
Total operating expenses	(1,055,757)	(8)	(949,049)	(7)
INCOME FROM OPERATIONS	1,606,078	13	4,078,046	27
NON-OPERATING INCOME AND EXPENSES (Notes 4, 20 and 25)				
Interest income	117,012	1	119,393	1
Other income	28,540	-	27,008	-
Other gains and losses	46,727	-	113,281	1
Finance costs	(167,911)	(1)	(36,209)	-
Total non-operating income and expenses	24,368	-	223,473	2
INCOME BEFORE INCOME TAX	1,630,446	13	4,301,519	29
INCOME TAX EXPENSE (Notes 4 and 21)	(330,582)	(3)	(842,678)	(6)
NET INCOME	1,299,864	10	3,458,841	23
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 17, 18 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	11,834	-	11,849	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(150)	-	2	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(2,367)	-	(2,370)	-

(Continued)

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ (13,078)	-	$ (20,284)	-
Other comprehensive loss for the year, net of income tax	(3,761)	-	(10,803)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,296,103	10	$ 3,448,038	23
EARNINGS PER SHARE (Note 22)				
Basic earnings per share	$ 3.35		$ 8.92	
Diluted earnings per share	$ 3.35		$ 8.92	

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
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

			Retained Earnings				Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Investments in Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2023	$ 3,878,483	$ 5,739,250	$ 2,563,707	$ 29,275	$ 12,666,893	$ 15,259,875	$ (45,782)	$ 222	$ (45,560)	$ 24,832,048
Appropriation of the 2022 earnings										
Legal reserve	-	-	485,660	-	(485,660)	-	-	-	-	-
Special reserve	-	-	-	16,285	(16,285)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,831,293)	(2,831,293)	-	-	-	(2,831,293)
	-	-	485,660	16,285	(3,333,238)	(2,831,293)	-	-	-	(2,831,293)
Dividends expired and uncollected by shareholders	-	58	-	-	-	-	-	-	-	58
Net income or the year ended December 31, 2023	-	-	-	-	3,458,841	3,458,841	-	-	-	3,458,841
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	9,479	9,479	(20,284)	2	(20,282)	(10,803)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,468,320	3,468,320	(20,284)	2	(20,282)	3,448,038
BALANCE AT DECEMBER 31, 2023	3,878,483	5,739,308	3,049,367	45,560	12,801,975	15,896,902	(66,066)	224	(65,842)	25,448,851
Appropriation of the 2023 earnings										
Legal reserve	-	-	346,832	-	(346,832)	-	-	-	-	-
Special reserve	-	-	-	20,282	(20,282)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,939,242)	(1,939,242)	-	-	-	(1,939,242)
	-	-	346,832	20,282	(2,306,356)	(1,939,242)	-	-	-	(1,939,242)
Dividends expired and uncollected by shareholders	-	13	-	-	-	-	-	-	-	13
Net income or the year ended December 31, 2024	-	-	-	-	1,299,864	1,299,864	-	-	-	1,299,864
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	9,467	9,467	(13,078)	(150)	(13,228)	(3,761)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,309,331	1,309,331	(13,078)	(150)	(13,228)	1,296,103
BALANCE AT DECEMBER 31, 2024	$ 3,878,483	$ 5,739,321	$ 3,396,199	$ 65,842	$ 11,804,950	$ 15,266,991	$ (79,144)	$ 74	$ (79,070)	$ 24,805,725

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,630,446	$ 4,301,519
Adjustments for:		
Depreciation expense	2,287,683	2,218,994
Amortization expense	2,784	2,661
Finance costs	167,911	36,209
Interest income	(117,012)	(119,393)
Dividend income	(6)	(4)
Gains on disposal of property, plant and equipment	(1,597)	(120)
Write-down of (reversal of) inventories	6,146	(4,564)
Net (gain) loss on foreign currency exchange	(15,508)	88,497
Changes in operating assets and liabilities		
Trade receivables	1,150,085	(337,963)
Other receivables	106,339	(34,957)
Inventories	93,889	(223,401)
Prepayments	12,617	22,934
Contract liabilities	(2,233,190)	(686,488)
Notes payable	-	(6,478)
Trade payables	71,238	(269,771)
Other payables	(4,189)	(48,855)
Other current liabilities	25,656	103
Net defined benefit liabilities	(115,139)	(1,308)
Cash generated from operations	3,068,153	4,937,615
Interest received	115,095	122,714
Dividends received	6	4
Interest paid	(167,911)	(36,427)
Income tax paid	(1,060,262)	(1,239,034)
Net cash generated from operating activities	1,955,081	3,784,872
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(9,357,797)	(18,312,410)
Proceeds from disposal of property, plant and equipment	1,597	120
Decrease (increase) in refundable deposits	42,144	(41,531)
Payments for intangible assets	(409)	(1,368)
Decrease (increase) in other non-current assets	950	(1,628)
Increase in prepayments for equipment	(156,937)	(183,779)
Increase in prepayments for land	-	(396,638)
Net cash used in investing activities	(9,470,452)	(18,937,234)

(Continued)

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 6,509,100	$ -
Repayments of short-term borrowings	(4,439,100)	-
Proceeds from long-term borrowings	9,250,000	11,500,000
Repayments of long-term borrowings	(1,500,000)	-
Proceeds from (refund of) guarantee deposits received	3,089	(1,603)
Repayment of the principal portion of lease liabilities	(7,362)	(13,379)
Increase in other non-current liabilities	12,127	12,100
Cash dividends paid	(1,939,098)	(2,831,318)
Net cash generated from financing activities	7,888,756	8,665,800
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(2,683)	(1,595)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	370,702	(6,488,157)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,320,704	10,808,861
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,691,406	$ 4,320,704

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 YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 Electronic Metals Co., Ltd. changed its name to Sumco Techxiv Corporation.

The Company 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 company is Sumco Techxiv Corporation, which held 45.05% and 45.57% of the ordinary shares of the Company as of December 31, 2024 and 2023, respectively. The Company’s ultimate parent company is Sumco Corporation.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 12, 2025.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended 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 MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. 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).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

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

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 Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the Group entities (including subsidiaries in other countries that are using currencies different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the monthly weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset, intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

- Financial asset that is not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits, commercial papers and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

The Group identifies the contracts with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of silicon wafers. Sales of silicon wafers are recognized as revenue when the goods are delivered to the customer's specific location or the goods are actually used because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized con-currently.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from consignment services. The Group is an agent and its performance obligation is the provision of consignment services. The Group recognizes revenue in the net amount of consideration received or receivable when the goods that are consigned are transferred to the customer and the Group has no further obligation to the customer.

l. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

<u>The Group as lessee</u>

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Current service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forwards, and unused tax credits for purchases of machinery and equipment to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

Valuation of inventories

Inventories are stated at the lower of cost or net realizable value, and therefore, the Group uses judgment and estimates to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid advancement in technology, the Group estimates the net realizable value of inventories for obsolete and unmarketable items at the end of the reporting period and then writes down the cost of inventories to their net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon, and hence may result in significant changes. The carrying amounts of inventories as of December 31, 2024 and 2023 are disclosed in Note 9.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ -	$ 2
Checking accounts	2,426	435
Demand deposits	403	495
Foreign currency deposits	596,970	848,266
Cash equivalents (investments with original maturities of less than 3 months)		
Commercial papers	2,094,221	3,071,506
Repurchase agreements collateralized by bonds	-	400,000
Time deposits	1,997,386	-
	$ 4,691,406	$ 4,320,704

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:

	December 31	
	2024	2023
Demand deposits	0.705%	0.58%
Foreign currency deposits	0.0001%-0.01%	0.0001%-0.01%
Commercial papers	1.107%-1.3%	1%-1.2%
Repurchase agreements collateralized by bonds	-	1.10%
Time deposits	4.69%-4.85%	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Non-current		
Domestic investments		
Listed shares		
Ordinary shares - Formosa Petrochemical Corporation	$ 112	$ 262

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. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	**2023**
Trade receivables		
At amortized cost		
Gross carrying amount		
Trade receivables from unrelated parties	$ 1,602,387	$ 2,879,285
Trade receivables from related parties	446,309	308,549
Less: Allowance for impairment loss	-	-
	$ 2,048,696	$ 3,187,834
Other receivables		
Tax refund receivables (sales tax)	$ 80,605	$ 187,443
Others	5,986	4,140
	$ 86,591	$ 191,583
Other receivables - related parties		
Others	$ 1,547	$ 926

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 the 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 forecasted 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.

December 31, 2024

	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	$ 2,048,696	$ -	$ -	$ -	$ -	$ 2,048,696
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 2,048,696	$ -	$ -	$ -	$ -	$ 2,048,696

December 31, 2023

	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	$ 3,187,834	$ -	$ -	$ -	$ -	$ 3,187,834
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 3,187,834	$ -	$ -	$ -	$ -	$ 3,187,834

9. INVENTORIES

	December 31	
	2024	2023
Raw materials	$ 817,646	$ 1,032,112
Supplies	1,558,501	1,446,426
Work in progress	535,639	618,072
Finished goods	814,488	710,486
Merchandise inventories	15,357	36,550
Less: Allowance for inventory devaluation	(124,322)	(118,176)
	$ 3,617,309	$ 3,725,470

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 was $9,759,800 thousand and $9,849,138 thousand, respectively.

The cost of goods sold for the years ended December 31, 2024 and 2023 included a inventory write-downs of $6,146 thousand and reversal of inventory write-downs of $4,564 thousand, respectively, unallocated fixed production overhead of $297,428 thousand and $150,323 thousand, respectively, and income from the sale of silicon waste of $(69,868) thousand and $(86,704) thousand, respectively. The reversal of inventory write-downs was caused by disposal of the written-down inventory.

10. SUBSIDIARIES

Subsidiary Included in the Consolidated Financial Statements:

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2024	Proportion of Ownership December 31 2023
The Company	Japan Formosa Sumco Technology Corporation	Manufacture and sale of high quality ingots and other related businesses	100%	100%

11. PROPERTY, PLANT AND EQUIPMENT

Asset Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment Under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2024	$ 913,329	$ 3,955,332	$ 38,000,615	$ 727,638	$ 28,315,381	$ 71,912,295
Additions	-	-	58,434	62,811	7,893,236	8,014,481
Reclassifications	-	1,880	1,107,213	14,930	(1,141,842)	(17,819)
Disposals	-	-	(57,167)	(11,340)	-	(68,507)
Effects of foreign currency exchange differences	-	-	(38,110)	(644)	-	(38,754)
Balance at December 31, 2024	$ 913,329	$ 3,957,212	$ 39,070,985	$ 793,395	$ 35,066,775	$ 79,801,696
Accumulated depreciation and impairment						
Balance at January 1, 2024	$ -	$ 1,909,598	$ 32,857,265	$ 531,304	$ -	$ 35,298,167
Disposals	-	-	(57,167)	(11,340)	-	(68,507)
Depreciation expense	-	112,580	2,080,948	86,750	-	2,280,278
Effects of foreign currency exchange differences	-	-	(27,087)	(533)	-	(27,620)
Balance at December 31, 2024	$ -	$ 2,022,178	$ 34,853,959	$ 606,181	$ -	$ 37,482,318
Carrying amount at December 31, 2024	$ 913,329	$ 1,935,034	$ 4,217,026	$ 187,214	$ 35,066,775	$ 42,319,378
Cost						
Balance at January 1, 2023	$ 120,906	$ 3,953,681	$ 35,234,835	$ 677,285	$ 8,691,472	$ 48,678,179
Additions	792,423	-	74,393	64,212	22,428,740	23,359,768
Reclassifications	-	1,651	2,797,939	5,177	(2,804,831)	(64)
Disposals	-	-	(46,473)	(18,067)	-	(64,540)
Effects of foreign currency exchange differences	-	-	(60,079)	(969)	-	(61,048)
Balance at December 31, 2023	$ 913,329	$ 3,955,332	$ 38,000,615	$ 727,638	$ 28,315,381	$ 71,912,295

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment Under Installation and Construction in Progress	Total
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ 1,797,089	$ 30,928,135	$ 469,326	$ -	$ 33,194,550
Disposals	-	-	(46,473)	(18,067)	-	(64,540)
Reclassifications	-	-	(942)	942	-	-
Depreciation expense	-	112,509	2,013,312	79,830	-	2,205,651
Effects of foreign currency exchange differences	-	-	(36,767)	(727)	-	(37,494)
Balance at December 31, 2023	$ -	$ 1,909,598	$ 32,857,265	$ 531,304	$ -	$ 35,298,167
Carrying amount at December 31, 2023	$ 913,329	$ 2,045,734	$ 5,143,350	$ 196,334	$ 28,315,381	$ 36,614,128

(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, dormitories, warehouses and readiness rooms	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 in 2024 and 2023.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Buildings	$ 29,009	$ 22,472

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 13,993	$ 19,115
Depreciation charge for right-of-use assets		
Land	$ -	$ 5,813
Buildings	7,405	7,530
	$ 7,405	$ 13,343

The Group renewed the lease of the plants to the ultimate parent company with lease terms of 5 years in December 2024, the rental is based on mutual agreement and lease payments are paid in monthly. The net right-of-use assets increased by $13,993 thousand. Details of transactions are disclosed in Note 25.

The Group purchased the land that was originally leased from related parties. Therefore, the Group terminated the original lease agreement in March 2023, and derecognized the related carrying amount of right-of-use assets $24,646 thousand, and lease liabilities-current of $24,646 thousand, please refer to Note 25.

The Group relocated the Taipei office. Therefore, the Group terminated the original lease agreement in September and October 2023, and derecognized the related carrying amount of right-of-use assets $694 thousand, and lease liabilities-current of $694 thousand.

The rent the Neihu office to the investors with significant influence over the Group (Formosa Plastics Corporation) in November 2023, and added the related carrying amount of right-of-use assets $19,115 thousand, please refer to Note 25.

Except for the aforementioned additions, derecognition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	**2023**
Carrying amount		
Current	$ 6,875	$ 7,414
Non-current	$ 22,275	$ 15,156

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	**2023**
Buildings	1.1%-1.6%	1.1%-1.6%

13. INTANGIBLE ASSETS

	December 31	
	2024	**2023**
Technical cooperation fees	$ 3,485	$ 5,860

	December 31	
	2024	**2023**
Cost		
Balance at January 1	$ 13,707	$ 12,339
Additions	409	1,368
Balance at December 31	$ 14,116	$ 13,707

(Continued)

	December 31	
	2024	2023
Accumulated amortization		
Balance at January 1	$ 7,847	$ 5,186
Amortization expense	2,784	2,661
Balance at December 31	$ 10,631	$ 7,847
Carrying amount at December 31	$ 3,485	$ 5,860

(Concluded)

The Group signed a technical cooperation arrangement with Sumco Corporation with a total fee of JPY2,000 thousand (NT$409 thousand) in 2022 and 2024. In 2024, the Company paid JPY2,000 thousand (NT$409 thousand) in 2024, which was amortized over a period of 60 months.

The Group signed a technical cooperation arrangement with Sumco Corporation with a total fee of JPY6,000 thousand (NT$1,368 thousand) in 2023. In 2023, the Company paid JPY6,000 thousand (NT$1,368 thousand) in 2023, which was amortized over a period of 60 months.

The amortized expense for the years ended December 31, 2024 and 2023 was $2,784 thousand and $2,661 thousand, respectively. The amortization expense is recognized as technical corporation expense under operating costs.

14. OTHER ASSETS

	December 31	
	2024	2023
Prepayments	$ 142,707	$ 153,940
Others (including testing fees and electricity subsidies)	1,937	2,887
	$ 144,644	$ 156,827
Current	$ 142,707	$ 153,940
Non-current	1,937	2,887
	$ 144,644	$ 156,827

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Line of credit borrowings	$ 2,070,000	$ -
Interest rate		
Line of credit borrowings	1.775%-1.820%	-

b. Long-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Bank loans	$ 19,250,000	$ 11,500,000
Interest rate		
Bank loans	1.7926%-2.049%	1.7895%-1.8260%

The Group received loan drawdowns of $9,250,000 thousand and $11,500,000 thousand for the years ended December 31, 2024 and 2023, respectively. The maturity dates of the above long-term borrowings are October 15, 2026 and December 5, 2026. The principal will be repaid in one lump sum on their maturity dates according to their loan contracts; the interest will be paid once on the maturity date and once every three months. The loan interest rates are all floating interest rates.

For the year ended December 31, 2024, the Group paid off the long-term bank loan of $1,500,000 thousand before its original maturity date of October 15, 2026.

16. OTHER LIABILITIES

	December 31	
	2024	2023
Other payables - current		
Payables for purchases of equipment	$ 1,447,405	$ 3,202,016
Payables for salaries or bonuses	431,410	520,695
Payables for insurance	36,584	35,497
Payables for utilities	90,864	79,599
Payables for dividends	303	172
Others (Note)	366,547	268,242
	$ 2,373,113	$ 4,106,221
Other payables - related parties (current)		
Payables for purchases of equipment - related parties	$ 58,679	$ 203,249
Payables for royalties - related parties	385,327	436,812
Payables for accrued expense - related parties	44,561	29,852
	$ 488,567	$ 669,913

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

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 537,589	$ 539,650
Fair value of plan assets	(329,000)	(204,088)
Net defined benefit liabilities	$ 208,589	$ 335,562

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2023	$ 542,782	$ (194,063)	$ 348,719
Service cost			
Current service cost	2,937	-	2,937
Net interest expense (income)	6,785	(2,467)	4,318
Recognized in profit or loss	9,722	(2,467)	7,255
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(293)	(293)
Actuarial (gain) loss			
Experience adjustments	(11,556)	-	(11,556)
Recognized in other comprehensive income	(11,556)	(293)	(11,849)
Contributions from the employer	-	(7,265)	(7,265)
Benefits paid	(1,298)	-	(1,298)
Balance at December 31, 2023	539,650	(204,088)	335,562

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 2,893	$ -	$ 2,893
Net interest expense (income)	6,746	(2,595)	4,151
Recognized in profit or loss	9,639	(2,595)	7,044
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,245)	(18,245)
Actuarial (gain) loss			
Changes in financial assumptions	(8,091)	-	(8,091)
Experience adjustments	14,502	-	14,502
Recognized in other comprehensive income	6,411	(18,245)	(11,834)
Contributions from the employer	-	(110,872)	(110,872)
Benefits paid	(18,111)	6,800	(11,311)
Balance at December 31, 2024	$ 537,589	$ (329,000)	$ 208,589

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rates	1.45%	1.25%
Expected rates of salary increase	2.85%	2.85%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rates		
0.25% increase	$ (9,855)	$ (11,377)
0.25% decrease	$ 10,143	$ 11,734
Expected rates of salary increase		
1% increase	$ 42,900	$ 49,452
1% decrease	$ (38,998)	$ (44,580)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
The expected contributions to the plan for the next year	$ 7,229	$ 6,990
The average duration of the defined benefit obligation	9.6 years	10.7 years

18. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Numbers of shares authorized (in thousands)	775,697	775,697
Shares authorized	$ 7,756,966	$ 7,756,966
Number of shares issued and fully paid (in thousands)	387,848	387,848
Shares issued	$ 3,878,483	$ 3,878,483

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

	December 31	
	2024	2023
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
May be used to offset a deficit only		
Dividends expired and uncollected by shareholders (2)	241	228
	$ 5,739,321	$ 5,739,308

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. The shareholders of the Company held their regular meeting on June 17, 2022 and, in that meeting, resolved the amendments to the Company's Articles of Incorporation. 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 a 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 and is in the growth phase. To support the Company's growth, the Company has three different methods to distribute dividends, including cash dividends, capitalization of retained earnings, and capital surplus, and no more than 80% of distributable surplus should be distributed from the legal reserve and special reserve. In principle, cash dividends should be distributed first, and the aggregate of capitalized of retained earnings and capital surplus shall not exceed 50% of total dividends.

An appropriation of earnings to a 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.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Legal reserve	$ 346,832	$ 485,660		
Special reserve	20,282	16,285		
Cash dividends	1,939,242	2,831,293	$5.0	$7.3

The above appropriations for cash dividends were resolved by the Company's board of directors on March 7, 2024 and March 7, 2023. The other appropriation of earnings for 2023 and 2022 was resolved by the shareholders in their meeting on June 27, 2024 and June 15, 2023.

The appropriation of earnings for 2024 which was proposed by the board of directors on March 12, 2025 was as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 130,933	
Special reserve	13,228	
Cash dividends	698,127	$1.8

d. Other equity items

The exchange differences arising on translation of foreign operations' net assets from their functional currencies 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 of 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 gains or losses in other comprehensive income are reclassified into profit or loss.

19. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from the sale of goods	$ 12,421,635	$ 14,876,233

Contract Balances

	December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables (Note 8)	$ 2,048,696	$ 3,187,834	$ 2,942,127
Contract liabilities - current	$ 639,822	$ 2,252,241	$ 786,437
Contract liabilities - non-current	$ 2,221,099	$ 2,841,870	$ 4,994,162

20. NET INCOME

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 116,969	$ 119,367
Others	43	26
	$ 117,012	$ 119,393

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividend income	$ 6	$ 4
Others (including commission income, etc.)	28,534	27,004
	$ 28,540	$ 27,008

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gains	$ 45,524	$ 113,482
Gain on disposal of property, plant and equipment	1,597	120
Others	(394)	(321)
	$ 46,727	$ 113,281

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on lease liabilities	$ 359	$ 201
Interest on bank loans	265,201	37,794
Other interest expenses	603	437
Less: Amounts included in the cost of qualifying assets	(98,252)	(2,223)
	$ 167,911	$ 36,209

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	$ 98,252	$ 2,223
Capitalization rate	1.70%-1.7895%	1.70%-1.826%

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 2,273,974	$ 2,204,838
Operating expenses	13,709	14,156
	$ 2,287,683	$ 2,218,994
An analysis of amortization by function		
Operating costs	$ 2,784	$ 2,661
Operating expenses	-	-
	$ 2,784	$ 2,661

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 17)		
Defined contribution plans	$ 67,180	$ 67,734
Defined benefit plans	7,044	7,255
	74,224	74,989
Salaries and bonuses etc.	1,681,683	1,841,575
	$ 1,755,907	$ 1,916,564
An analysis of employee benefits expense by function		
Operating costs	$ 1,431,158	$ 1,662,964
Operating expenses	324,749	253,600
	$ 1,755,907	$ 1,916,564

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation at rates of no less than 0.05% and no higher than 0.5%, respectively, of net profit before income tax excluding employees' compensation. The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors on March 12, 2025 and March 7, 2024, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	0.300%	0.300%
Remuneration of directors	-	-

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	$ 4,878	$ 12,941
Remuneration of directors	-	-

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.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	$ 415,193	$ 454,282
Foreign exchange losses	(369,669)	(340,800)
Net gains	$ 45,524	$ 113,482

21. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 270,889	$ 911,113
Income tax expense of unappropriated earnings	-	-
Adjustments for prior years	(3,089)	(17,679)
Deferred tax		
In respect of the current year	62,782	(50,756)
Income tax expense recognized in profit or loss	$ 330,582	$ 842,678

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before income tax	$ 1,630,446	$ 4,301,519
Income tax expense calculated at the statutory rate (20%)	$ 326,089	$ 860,304
Nondeductible expense in determining taxable income	8	7
Tax-exempt income	(1)	(1)
Income tax on unappropriated earnings	-	-
Recognized investment credits	-	-
Effect of different tax rates of group entities operating in other jurisdictions	7,575	47
Adjustments for prior years' tax	(3,089)	(17,679)
Income tax expense recognized in profit or loss	$ 330,582	$ 842,678

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year:		
Remeasurement on defined benefit plans	$ 2,367	$ 2,370
Total income tax recognized in other comprehensive income	$ 2,367	$ 2,370

c. Current tax liabilities

	December 31	
	2024	2023
Income tax payable	$ 110,044	$ 902,506

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Exchange differences on the difference in timing of translation of foreign currency assets and liabilities	$ 15,703	$ (15,703)	$ -	$ -
Allowance for inventory write-offs	23,635	1,229	-	24,864
Defined benefit obligation	67,822	(19,411)	(2,367)	46,044
Difference in depreciation method of machinery and equipment	229,384	(21,387)	-	207,997
Others	13,161	-	-	13,161
	$ 349,705	$ (55,272)	$ (2,367)	$ 292,066
Deferred tax liabilities				
Temporary differences				
Exchange differences on the difference in timing of translation of foreign currency assets and liabilities	$ -	$ 7,971	$ -	$ 7,971
Others	29,560	(461)	-	29,099
	$ 29,560	$ 7,510	$ -	$ 37,070

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Exchange differences on the difference in timing of translation of foreign currency assets and liabilities	$ 4,790	$ 10,913	$ -	$ 15,703
Allowance for inventory write-offs	23,886	(251)	-	23,635
Defined benefit obligation	70,190	2	(2,370)	67,822
Difference in depreciation method of machinery and equipment	191,221	38,163	-	229,384
Others	13,161	-	-	13,161
	$ 303,248	$ 48,827	$ (2,370)	$ 349,705
Deferred tax liabilities				
Temporary differences				
Others	$ 31,489	$ (1,929)	$ -	$ 29,560

e. Income tax assessments

The income tax returns through 2022 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 Year Ended December 31	
	2024	2023
Net income	$ 1,299,864	$ 3,458,841

Unit: Thousand Shares

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share (in thousands)	387,848	387,848
Effect of potentially dilutive ordinary shares		
Employees' compensation	65	98
Weighted average number of ordinary shares used for computation of diluted earnings per share (in thousands)	387,913	387,946

The Group may settle bonuses or compensation paid to employees in shares or cash; therefore, the Group assumes that 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 adjustments to dividends or issue new shares in order to maintain or adjust the capital structure.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are 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

December 31, 2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 112	$ -	$ -	$ 112

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 262	$ -	$ -	$ 262

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

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets at amortized cost (1)	$ 6,747,815	$ 7,555,928
Financial assets at FVTOCI		
Equity instruments	112	262
Financial liabilities		
Amortized cost (2)	22,749,261	16,743,333

1) The balances include financial assets 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 short-term borrowings, trade payables, other payables (excluding payable for salary and bonus, employees' compensation, pension cost, dividends payable and taxation), long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, lease 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 were managed and measured.

a) Foreign currency risk

The Group had 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 the 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 For the Year Ended December 31		JPY Impact For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	$ 411,005 (i)	$ 322,968 (i)	$ (56,113) (ii)	$ (89,814) (ii)

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

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

The Group's sensitivity to the U.S. dollars (USD) increased during the current year mainly due to the increase in time deposits in USD. In addition, the Group's sensitivity to Japanese Yen (JPY) decreased during the current year mainly due to the increase of bank deposits in JPY.

b) Interest rate risk

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

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 4,091,607	$ 3,471,506
Cash flow interest rate risk		
Financial assets	597,373	848,761
Financial liabilities	21,320,000	11,500,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities 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 years ended December 31, 2024 and 2023 would have decreased/increased by $207,226 thousand and $106,512 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank loans.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase of bank loans for the year ended December 31, 2024.

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.

Except for the trade receivables of the Group's client, Company A, which accounted for 10% of total monetary assets as of December 31, 2023, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables from Company A amounted to $879,148 thousand as of December 31, 2023, which accounted for 11.26% with the concentration of credit risk related. The trade receivables from any other counterparties did not exceed 10% of the gross monetary assets for the year ended December 31, 2023.

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 tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have 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 include 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.

December 31, 2024

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 3,499,262	$ -	$ -	$ -
Lease liabilities	3,631	3,244	16,585	5,690
Variable interest rate liabilities	2,072,071	-	19,272,477	-
	$ 5,574,964	$ 3,244	$ 19,289,062	$ 5,690

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 6,875	$ 22,275	$ -	$ -

December 31, 2023

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 5,243,334	$ -	$ -	$ -
Lease liabilities	3,694	3,720	11,863	3,293
Variable interest rate liabilities	-	-	11,507,919	-
	$ 5,247,028	$ 3,720	$ 11,519,782	$ 3,293

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 7,414	$ 15,156	$ -	$ -

The following tables detail the Group's expected maturities for some of its non-derivative financial assets. The tables below have 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.

December 31, 2024

	1-6 Months	6 Months to 1 Year
Non-derivative financial assets		
Non-interest bearing	$ 2,058,835	$ -
Variable interest rate assets	597,436	-
Fixed interest rate assets	4,094,107	-
	$ 6,750,378	$ -

December 31, 2023

	1-6 Months	6 Months to 1 Year
Non-derivative financial assets		
Non-interest bearing	$ 3,235,660	$ -
Variable interest rate assets	848,766	-
Fixed interest rate assets	3,472,343	-
	$ 7,556,769	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were 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 and their relationships with the Group:

Related Party Name	Related Party Categories and Relationship with the Group
Sumco Corporation	Ultimate parent company
Sumco Techxiv Corporation	Parent of the Company
Sumco Technology Corporation	Sister company (subsidiary of Sumco Corporation)
Formosa Plastics 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) Sales of goods

Line Item	Related Party Category	For the Year Ended December 31 2024	2023
Sales	Ultimate parent company (Sumco Corporation)	$ 219,437	$ 1,115,612
	Parent of the Company (Sumco Techxiv Corporation)	1,753,473	2,260,478
		$ 1,972,910	$ 3,376,090

The transaction prices of the Group for the year ended December 31, 2024 are based on mutual agreements. The credit terms are from the day the related party confirms the sale: 55 days to ultimate parent company and parent company.

The transaction prices of the Group for the year ended December 31, 2023 are based on mutual agreements. The credit terms are from the day the related party confirms the sale: (a) 55 days - ultimate parent company; (b) 60 days - parent company.

2) Purchases of goods

Related Party Category	For the Year Ended December 31 2024	2023
Ultimate parent company (Sumco Corporation)	$ 624,247	$ 427,728
Parent of the Company (Sumco Techxiv Corporation)	16,735	25,694
Investor with significant influence over the Group (Formosa Plastics Corporation)	40,917	34,869
Others (same chairman or a director is the chairman of the Company)	22,896	20,354
	$ 704,795	$ 508,645

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

3) Receivables from related parties are as follows:

Line Item	Related Party Category	December 31 2024	2023
Trade receivables	Ultimate parent company (Sumco Corporation)	$ 62,355	$ 71,354
	Parent of the Company (Sumco Techxiv Corporation)	383,954	237,195
		$ 446,309	$ 308,549

4) Payables to related parties are as follows:

Line Item	Related Party Category	December 31 2024	December 31 2023
Trade payables	Ultimate parent company (Sumco Corporation)	$ 216,848	$ 44,644
	Parent of the Company (Sumco Techxiv Corporation)	479	717
	Investor with significant influence over the Group (Formosa Plastics Corporation)	4,719	2,813
	Others (same chairman or a chairman is the chairman of the Company)	521	-
		$ 222,567	$ 48,174

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 years ended December 31, 2024 and 2023, 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 Year Ended December 31 2024	For the Year Ended December 31 2023
Ultimate parent company (commission income, accounted for as other revenue; other revenue accounted for as deduction of operating costs)	$ 2,095	$ 1,194
Sister company (selling waste income, accounted for as deduction of operating costs)	15,796	14,769
Investor with significant influence over the Group (other income)	1,822	1,641
	$ 19,713	$ 17,604

Line Item	Related Party Category	December 31 2024	December 31 2023
Other receivables - related parties	Ultimate parent company (Sumco Corporation)	$ -	$ 9
	Sister company (Sumco Technology Corporation)	1,547	917
		$ 1,547	$ 926

d. Lease arrangements - the Group is lessee

	For the Year Ended December 31	
	2024	2023
Acquisition of right-of-use assets		
Ultimate parent company (Sumco Corporation)	$ 13,993	$ -
Investor with significant influence over the Group (Formosa Plastics Corporation)	-	19,115
	$ 13,993	$ 19,115

Line Item	Related Party Category	December 31 2024	December 31 2023
Lease liabilities	Ultimate parent company (Sumco Corporation)	$ 14,563	$ 2,977
	Investor with significant influence over the Group (Formosa Plastics Corporation)	14,791	18,502
		$ 29,354	$ 21,479

Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest expense		
Ultimate parent company (Sumco Corporation)	$ 17	$ 51
Investor with significant influence over the Group (Formosa Plastics Corporation)	269	131
	$ 286	$ 182

The Group renewed the lease of the factory to the ultimate parent company with lease terms of 5 years, the rental is based on mutual agreement and lease payments are paid in monthly. The net right-of-use assets increased by $13,993 thousand.

The rent to the investor with significant influence over the Group (Formosa Plastics Corporation) for the lease of offices with 5-year lease terms in 2023 is based on the price agreed by the parties and paid semiannually.

The rent to the investor with significant influence over the Group (Formosa Plastics Corporation) for the lease of offices with 2-year lease terms in 2022 is based on the price agreed by the parties and paid semiannually.

Furthermore, the rent to the investor with significant influence over the Group (Formosa Plastics Corporation) for the lease of land with 2-year and 5-year lease terms in 2022 and 2020, respectively, is based on the price agreed by the parties and paid in monthly. The tenancy agreement was terminated in March 2023 due to the land ownership transfer from Formosa Plastics Corporation.

e. Loans to related parties

	For the Year Ended December 31	
	2024	2023
Interest income		
Investor with significant influence over the Group (Formosa Plastics Corporation)	$ 38	$ 26

The Company has issued loans to the investor with significant influence over the Group (Formosa Plastics Corporation) which totaled $352,928 thousand. The Company provided the investor with significant influence over the Group with loans at interest rate of 1%, which was unsecured and has been recovered before June 30, 2024. The interest income from loan to the investor with significant influence over the Group (Formosa Plastics Corporation) was $38 thousand for the year ended December 31, 2024.

The Company has issued loans to the investor with significant influence over the Group (Formosa Plastics Corporation) which totaled $317,805 thousand. The Company provided the investor with significant influence over the Group with loans at interest rate of 1%, which was unsecured and has been recovered before June 30, 2023. The interest income from loan to the investor with significant influence over the Group (Formosa Plastics Corporation) was $26 thousand for the year ended December 31, 2023.

f. Loans from related parties

Japan Formosa Sumco Technology Corporation obtained loan from the investor with significant influence over the Group (Formosa Plastics Corporation) totaled $352,928 thousand at interest rate of 1% on June 7, 2024, the loan is unsecured and has been repaid by Japan Formosa Sumco Technology Corporation before June 30, 2024. The interest expense paid to the investor with significant influence over the Group (Formosa Plastics Corporation) for ended December 31, 2024 were $38 thousand.

Japan Formosa Sumco Technology Corporation obtained loan from the investor with significant influence over the Group (Formosa Plastics Corporation) totaled $317,805 thousand at interest rate of 1% on June 9, 2023, the loan is unsecured and has been repaid by Japan Formosa Sumco Technology Corporation before June 30, 2023. The interest expense paid to the investor with significant influence over the Group (Formosa Plastics Corporation) for ended December 31, 2023 were $26 thousand.

g. Other transactions with related parties

1) Manufacturing expense, repair costs and accrued expenses - related parties

	For the Year Ended December 31	
	2024	2023
Manufacturing expense and repair costs		
Ultimate parent company (Sumco Corporation)	$ 306,313	$ 267,565
Investor with significant influence over the Group (Formosa Plastics Corporation)	4,800	-
Others (Formosa Technologies Corporation)	22,176	21,384
Others (Formosa Heavy Industries Corporation)	1,213	2,080
	$ 334,502	$ 291,029

	December 31	
	2024	2023
Accrued expenses of other payables - related parties		
Ultimate parent company (Sumco Corporation)	$ 44,561	$ 29,852

The above mentioned the transaction prices between the Group and the related parties are based on mutual agreements and paid immediately.

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

The Group's purchased contract prices for equipment from each related party and equipment payable under other payables to related parties are summarized below:

	For the Year Ended December 31	
	2024	2023
Acquisitions of equipment		
Investor with significant influence over the Group (Formosa Plastics Corporation)	$ 7,244	$ 160,144
Others (Formosa Heavy Industries Corporation)	-	1,140
Others (Formosa Technologies Corporation)	13,106	50,687
	$ 20,350	$ 211,971

	December 31	
	2024	2023
Payables for purchases of equipment of other payables to related parties		
Investor with significant influence over the Group (Formosa Plastics Corporation)	$ 58,679	$ 162,220
Others (Formosa Technologies Corporation)	-	41,029
	$ 58,679	$ 203,249

The above transactions for the purchase of equipment were accounted for as payables for equipment to related parties (other payables), and have been paid upon receipt.

3) Acquisition of land

The Group's acquisition of land from an inventor with significant influence (Formosa Plastics Corporation) was proposed by the Company's board of directors on August 9, 2022 with a contract price of $791,571 thousand. The total land price of $791,571 thousand has been paid over a period in 2023. In April 2023, the Company acquired ownership of the land (recognized as land used by the Group).

4) Other transactions

In 2024, the Company signed a technical compensation arrangement with its ultimate parent company (Sumco Corporation) with a total fee of JPY2,000 thousand (NT$409 thousand). The Company has paid JPY2,000 thousand (NT$409 thousand), which is amortized over a period of 60 months. It was recognized as an intangible asset (refer to Note 13).

In 2023, the Company signed a technical compensation arrangement with its ultimate parent company (Sumco Corporation) with a total fee of JPY6,000 thousand (NT$1,368 thousand). The Company has paid JPY6,000 thousand (NT$1,368 thousand), which is amortized over a period of 60 months. It was recognized as an intangible asset (refer to Note 13).

Under an existing agreement effective since 2003, the Company is obligated to pay recurring royalty fees to its parent company (Sumco Techxiv Corporation). The royalty fee was recognized as technical commission fees classified under selling expenses for the years ended December 31, 2024 and 2023. The unpaid amount as of December 31, 2024 and 2023 was recognized as accrued expenses (other payables) and will be paid in February of the subsequent 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 for the years ended December 31, 2024 and 2023. The unpaid amounts as of December 31, 2024 and 2023, 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) resulting from transactions with related parties are summarized as follows:

	For the Year Ended December 31	
	2024	**2023**
Selling expenses (technical support expense)		
Parent of the Company (Sumco Techxiv Corporation)	$ 10,861	$ 17,671
Ultimate parent company (Sumco Corporation)	374,466	419,141
	$ 385,327	$ 436,812

	December 31	
	2024	**2023**
Payables for royalties (other payables)		
Parent of the Company (Sumco Techxiv Corporation)	$ 10,861	$ 17,671
Ultimate parent company (Sumco Corporation)	374,466	419,141
	$ 385,327	$ 436,812

h. Compensation of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 14,727	$ 15,556
Post-employment benefits	83	-
Other long-term employee benefits	20	16
	$ 14,830	$ 15,572

The remuneration of directors and key executives was determined by the remuneration committee with 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 December 31, 2024 were as follows:

a. 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 a third party, except those transferred to permitted businesses, the Group should pay supplementary import duties for the fixed assets.

b. Amounts available under unused letters of credit as of December 31, 2024 were $69,746 thousand, and the available under unused letters of credit were from purchasing machinery and equipment.

c. As of December 31, 2024 and 2023, the major construction projects and property, plant and equipment signed or ordered by the Group but have not been accepted, amounted to $5,443,929 thousand and $9,097,843 thousand, respectively.

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:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 140,067	32.781 (USD:NTD)	$ 4,591,526
JPY	246,698	0.2087 (JPY:NTD)	51,486
			$ 4,643,012

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 12,620	32.781 (USD:NTD)	$ 413,701
USD	2,067	157.072 (USD:JPY)	67,773
JPY	2,935,376	0.2087 (JPY:NTD)	612,613
			$ 1,094,087

(Concluded)

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 130,327	30.735 (USD:NTD)	$ 4,005,606
JPY	133,339	0.2172 (JPY:NTD)	28,961
			$ 4,034,567
Financial liabilities			
Monetary items			
USD	20,543	30.705 (USD:NTD)	$ 630,772
USD	4,727	141.370 (USD:JPY)	145,155
JPY	4,268,401	0.2172 (JPY:NTD)	927,097
			$ 1,703,024

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

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 jointly controlled entities). (Table 2)

4) Marketable securities acquired or 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 years ended December 31, 2024 and 2023 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 material accounting policy information”.

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 For the Year Ended December 31		Segment Profit For the Year Ended December 31	
	2024	2023	2024	2023
Silicon wafer segment	$ 12,421,635	$ 14,876,233	$ 1,602,300	$ 4,274,832
Dividend income			6	4
Miscellaneous income			28,534	27,004
Miscellaneous expense			(394)	(321)
Profit before tax			$ 1,630,446	$ 4,301,519

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended December 31, 2024 and 2023.

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.

c. Other segment information

	Depreciation and Amortization	
	For the Year Ended December 31	
	2024	2023
Silicon wafer segment	$ 2,290,467	$ 2,221,655

d. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2024	2023
Silicon wafer	$ 12,421,635	$ 14,876,233

e. Geographical information

The Group operates mainly in Taiwan. Its revenue information by location of operations is described under "Segment revenue and results".

The Group sells and distributes its products mainly in three principal geographical locations - Taiwan, Japan, and China.

The Group's sales revenue from external customers by their location are detailed below.

	Revenue from External Customers	
	For the Year Ended December 31	
	2024	2023
Taiwan	$ 10,088,991	$ 11,461,351
Japan	1,972,910	3,376,090
China	359,734	38,792
	$ 12,421,635	$ 14,876,233

f. Information about major customers

Single customers that contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2024	**2023**
Customer A	$ 3,442,623	$ 4,144,632
Customer B	1,948,897	1,557,169
Customer C	1,753,473	2,260,478
Customer D	1,425,031	2,146,308
Customer E	-	2,038,115
	$ 8,570,024	$ 12,146,702

TABLE 1

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Year (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	$ 556,280 (Notes 3 and 4)	$ 490,000 (Notes 3 and 4)	$ 225,764 (Note 6)	1.00%	2	$ -	Operating capital	$ -	None	$ -	$ 2,480,573	$ 12,402,863	
		Formosa Plastics Corporation	Receivables from related parties	Yes	490,000 (Note 3)	- (Notes 3 and 5)	- (Note 5)	1.00%	2	-	Operating capital	-	None	-	6,201,432	12,402,863	

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 is from June 10, 2024 to June 9, 2025.

Note 5: The Company recovered a $352,928 thousand loan from Formosa Plastics Corporation before June 30, 2024.

Note 6: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (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	Shares							
	Formosa Petrochemical Corporation	-	Financial assets at FVTOCI - non-current	3,247	$ 112		$ 112	

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

Note 2: As the issuer of the securities is an unrelated party, the relationship column is intentionally left blank.

Note 3: The carrying value equals the original cost of $38 thousand plus the year-end valuation adjustment of $74 thousand.

Note 4: Refer to Table 6 for further information on the above investee.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	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	Purchases	$ 506,220	4.84	30 to 120 days from the receipt of the Company's goods	No significant difference	No significant difference	$ (201,248)	(28.52)	
	Sumco Corporation	Ultimate parent company of Formosa Sumco Technology Corporation	Sales	219,437	1.77	Net 55 days from the end of the month of when invoice is issued	No significant difference	No significant difference	62,355	3.04	
	Sumco Techxiv Corporation	Parent company of Formosa Sumco Technology Corporation	Sales	1,753,473	14.12	Net 55 days from the end of the month of when invoice is issued	No significant difference	No significant difference	383,954	18.74	
	Japan Formosa Sumco Technology Corporation	Subsidiary of Formosa Sumco Technology Corporation	Purchases	793,351	7.59	70 days receipts of the Company's goods	No significant difference	No significant difference	(231,686)	(32.83)	Note
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	Sales	793,351	100.00	70 days receipts of the Company's goods	No significant difference	No significant difference	231,686	100.00	Note
	Sumco Corporation	Ultimate parent company	Purchases	118,027	1.13	30 to 120 days from the receipt of the Company's goods	No significant difference	No significant difference	(15,600)	(2.21)	

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
DECEMBER 31, 2024
(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	Parent company	$ 383,954	5.65	$ -	-	$ 193,722	$ -
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	231,686 (Note 2)	4.14	-	-	75,274	-
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Subsidiary	226,956 (Notes 1 and 2)	Not applicable	-	-	-	-

Note 1: Due to the Company’s issuance of loans to Japan Formosa Sumco Technology Corporation, which includes the principal amount of $225,764 thousand and interest of $1,192 thousand.

Note 2: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	$ 793,351	General terms	6.38
		〃	〃	Interest income	3,226	General terms	0.03
		〃	〃	Trade payables	231,686	General terms	0.43
		〃	〃	Other receivables (include interest receivables)	226,956	General terms	0.42

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 December 31, 2024 while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2024.

Note 3: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Japan	Manufacture and sale of high quality ingot and other related business.	JPY 998,000 (NT$ 248,390)	JPY 998,000 (NT$ 248,390)	9,980	100	JPY 1,509,654 (NT$ 314,667)	JPY 178,371 (NT$ 38,061)	JPY (7,914) (NT$ (2,307))	Notes 1 and 2

Note 1: The share of profits (losses) of investee includes the effect of unrealized gross profit on intercompany transaction.

Note 2: Intercompany balances and transactions between the investor company and investee company have been eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sumco Techxiv Corporation	174,742,849	45.05
Formosa Plastics 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.