Formosa Sumco Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Formosa Sumco Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Formosa Sumco Technology Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2024

Notice to Readers

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

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,967,143	4	$ 4,320,704	9	$ 7,301,330	20
Trade receivables from unrelated parties (Notes 8 and 19)	1,819,158	4	2,879,285	6	1,474,184	4
Trade receivables from related parties (Notes 8, 19 and 26)	166,655	-	308,549	1	921,476	2
Other receivables from unrelated parties (Note 8)	201,099	-	191,583	-	214,537	-
Other receivables from related parties (Notes 8 and 26)	1,315	-	926	-	1,613	-
Inventories (Note 9)	3,839,736	8	3,725,470	7	3,721,946	10
Prepayments (Note 14)	432,865	1	289,220	1	240,680	1
Total current assets	8,427,971	17	11,715,737	24	13,875,766	37
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	226	-	262	-	275	-
Property, plant and equipment (Notes 11, 26 and 27)	39,159,094	81	36,478,848	74	19,401,760	53
Right-of-use assets (Notes 12 and 26)	20,547	-	22,472	-	9,919	-
Intangible assets (Notes 13 and 26)	5,175	-	5,860	-	6,769	-
Deferred tax assets (Notes 4 and 21)	319,143	1	349,705	1	312,276	1
Prepayment for equipment	573,367	1	568,182	1	2,590,505	7
Refundable deposits	37,875	-	42,324	-	30,076	-
Prepayments for land (Note 26)	-	-	-	-	792,423	2
Other non-current assets (Note 14)	2,649	-	2,887	-	1,136	-
Total non-current assets	40,118,076	83	37,470,540	76	23,145,139	63
TOTAL	$ 48,546,047	100	$ 49,186,277	100	$ 37,020,905	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ 416,000	1	$ -	-	$ -	-
Contract liabilities - current (Note 19)	2,100,260	4	2,252,241	5	815,821	2
Trade payables to unrelated parties	587,594	1	423,191	1	455,900	1
Trade payables to related parties (Note 26)	37,772	-	48,174	-	105,035	-
Other payables to unrelated parties (Note 16)	5,847,381	12	4,106,221	8	5,309,585	15
Other payables to related parties (Notes 16 and 26)	328,306	1	669,913	1	226,394	1
Current tax liabilities (Notes 4 and 21)	966,753	2	902,506	2	1,468,834	4
Lease liabilities - current (Notes 12 and 26)	6,627	-	7,414	-	6,770	-
Other current liabilities	46,028	-	14,654	-	14,841	-
Total current liabilities	10,336,721	21	8,424,314	17	8,403,180	23
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 19)	2,452,920	5	2,841,870	6	4,763,084	13
Long-term borrowings (Note 15)	11,000,000	23	11,500,000	23	-	-
Deferred tax liabilities (Notes 4 and 21)	28,934	-	29,560	-	35,670	-
Lease liabilities - non-current (Notes 12 and 26)	14,036	-	15,156	-	3,271	-
Net defined benefit liabilities - non-current (Notes 4 and 17)	233,096	1	335,562	1	349,126	1
Guarantee deposits	549,902	1	550,136	1	550,237	1
Other non-current liabilities	43,967	-	40,828	-	31,619	-
Total non-current liabilities	14,322,855	30	15,313,112	31	5,733,007	15
Total liabilities	24,659,576	51	23,737,426	48	14,136,187	38
EQUITY (Notes 18 and 24)						
Share capital						
Ordinary shares	3,878,483	8	3,878,483	8	3,878,483	10
Capital surplus	5,739,308	12	5,739,308	12	5,739,250	16
Retained earnings						
Legal reserve	3,049,367	6	3,049,367	6	2,563,707	7
Special reserve	45,560	-	45,560	-	29,275	-
Unappropriated earnings	11,248,400	23	12,801,975	26	10,721,581	29
Total retained earnings	14,343,327	29	15,896,902	32	13,314,563	36
Other equity	(74,647)	-	(65,842)	-	(47,578)	-
Total equity	23,886,471	49	25,448,851	52	22,884,718	62
TOTAL	$ 48,546,047	100	$ 49,186,277	100	$ 37,020,905	100

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 19, 26 and 30)	$ 3,029,421	100	$ 3,763,241	100
OPERATING COST (Notes 9, 13, 17, 20 and 26)	(2,412,692)	(79)	(2,431,715)	(65)
GROSS PROFIT	616,729	21	1,331,526	35
OPERATING EXPENSES (Notes 17, 20 and 26)				
Marketing	(132,419)	(5)	(154,374)	(4)
Administrative	(100,246)	(3)	(83,662)	(2)
Total operating expenses	(232,665)	(8)	(238,036)	(6)
INCOME FROM OPERATIONS	384,064	13	1,093,490	29
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 26)				
Interest income	13,542	-	33,332	1
Other income	8,071	-	8,110	-
Other gains and losses	91,289	3	(27,467)	(1)
Finance costs	(14,577)	-	(177)	-
Total non-operating income and expenses	98,325	3	13,798	-
PROFIT BEFORE INCOME TAX	482,389	16	1,107,288	29
INCOME TAX EXPENSE (Notes 4 and 21)	(96,722)	(3)	(221,307)	(6)
NET INCOME	385,667	13	885,981	23

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FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	$ (36)	-	$ 15	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(8,769)	(1)	(2,033)	-
Other comprehensive loss for the period, net of income tax	(8,805)	(1)	(2,018)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 376,862	12	$ 883,963	23
EARNINGS PER SHARE (Note 22)				
Basic earnings per share	$ 0.99		$ 2.28	
Diluted earnings per share	$ 0.99		$ 2.28	

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Earnings	Retained Earnings: Total	Others: Exchange Difference on Translating the Financial Statements of Foreign Operations	Others: Unrealized Gain (Loss) on Investments in Financial Assets Designated as at Fair Value Through Other Comprehensive Income	Others: 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 2022 earnings										
Cash dividends distributed by the Company	-	-	-	-	(2,831,293)	(2,831,293)	-	-	-	(2,831,293)
Net profit for the three months ended March 31, 2023	-	-	-	-	885,981	885,981	-	-	-	885,981
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	(2,033)	15	(2,018)	(2,018)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	885,981	885,981	(2,033)	15	(2,018)	883,963
BALANCE AT MARCH 31, 2023	$ 3,878,483	$ 5,739,250	$ 2,563,707	$ 29,275	$ 10,721,581	$ 13,314,563	$ (47,815)	$ 237	$ (47,578)	$ 22,884,718
BALANCE AT JANUARY 1, 2024	$ 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 2023 earnings										
Cash dividends distributed by the Company	-	-	-	-	(1,939,242)	(1,939,242)	-	-	-	(1,939,242)
Net profit for the three months ended March 31, 2024	-	-	-	-	385,667	385,667	-	-	-	385,667
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	(8,769)	(36)	(8,805)	(8,805)
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	385,667	385,667	(8,769)	(36)	(8,805)	376,862
BALANCE AT MARCH 31, 2024	$ 3,878,483	$ 5,739,308	$ 3,049,367	$ 45,560	$ 11,248,400	$ 14,343,327	$ (74,835)	$ 188	$ (74,647)	$ 23,886,471

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

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 482,389	$ 1,107,288
Adjustments for:		
Depreciation expense	626,339	529,483
Amortization expense	685	617
Interest expense	14,577	177
Interest income	(13,542)	(33,332)
Write-downs of inventories	877	8,134
Net gain on foreign currency exchange	(19,196)	(2,419)
Changes in operating assets and liabilities		
Trade receivables	1,219,998	550,997
Other receivables	(11,412)	(59,517)
Inventories	(122,095)	(220,132)
Prepayments	(142,912)	(65,804)
Contract liabilities	(540,931)	(201,694)
Notes payable	-	(6,478)
Trade payables	143,970	(192,938)
Other payables	(381,567)	(601,099)
Other current liabilities	31,374	290
Net defined benefit liabilities	(102,466)	407
Cash generated from operations	1,186,088	813,980
Interest received	15,075	37,505
Interest paid	(15,604)	(387)
Income tax paid	(2,539)	(5,426)
Net cash generated from operating activities	1,183,020	845,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(3,245,358)	(3,410,093)
Decrease (increase) in refundable deposits	4,449	(29,283)
Payments for intangible assets	-	(233)
Decrease in other non-current assets	238	123
Increase in prepayments for equipment	(212,251)	(510,167)
Increase in prepayments for land	-	(396,638)
Net cash used in investing activities	(3,452,922)	(4,346,291)

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FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 416,000	$ -
Repayments of long-term borrowings	(500,000)	-
Decrease in guarantee deposits received	(234)	(1,502)
Repayment of the principal portion of lease liabilities	(798)	(7,759)
Increase in other non-current liabilities	3,139	2,891
Cash dividend paid	-	(3)
Net cash used in financing activities	(81,893)	(6,373)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,766)	(539)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,353,561)	(3,507,531)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,320,704	10,808,861
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,967,143	$ 7,301,330

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

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. has 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 as of December 10, 2007.

The Company's parent company is Sumco Techxiv Corporation, which held 45.57% of the ordinary shares of the Company as of March 31, 2024 and 2023. 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 May 10, 2024.

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 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 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: 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.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

c. Basis of consolidation

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

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

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

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

d. Other material accounting policies

Except for the following, the accounting policies to these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

a) Assets held primarily for the purpose of trading;

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

c) 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:

a) Liabilities held primarily for the purpose of trading;

b) 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

c) 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.

2) Retirement benefit plan

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ -	$ 2	$ -
Checking accounts	530	435	1,049
Demand deposits	500	495	44,885
Foreign currency deposits	844,946	848,266	929,819
Cash equivalents (investments with original maturities of less than 3 months)			
Commercial papers	-	3,071,506	1,246,742
Repurchase agreements collateralized by bonds	-	400,000	1,433,000
Time deposits	1,121,167	-	3,645,835
	$ 1,967,143	$ 4,320,704	$ 7,301,330

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Demand deposits	0.855%	0.58%	0.58%
Foreign currency deposits	0.0001%-0.01%	0.0001%-0.01%	0.0001%-0.01%
Commercial papers	-	1.00%-1.2%	1.00%-1.08%
Repurchase agreements collateralized by bonds	-	1.10%	0.93%-1.01%
Time deposits	5.44%-5.56%	-	1.02%-5.04%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Formosa Petrochemical Corporation	$ 226	$ 262	$ 275

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

	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables			
At amortized cost			
Gross carrying amount			
Trade receivables from unrelated parties	$ 1,819,158	$ 2,879,285	$ 1,474,184
Trade receivables from related parties	166,655	308,549	921,476
Less: Allowance for impairment loss	-	-	-
	$ 1,985,813	$ 3,187,834	$ 2,395,660
Other receivables			
Tax refund receivable (sales tax)	$ 198,493	$ 187,443	$ 211,657
Other	2,606	4,140	2,880
	$ 201,099	$ 191,583	$ 214,537
Other receivables - related parties			
Others	$ 1,315	$ 926	$ 1,613

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.

March 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	$ 1,985,813	$ -	$ -	$ -	$ -	$ 1,985,813
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 1,985,813	$ -	$ -	$ -	$ -	$ 1,985,813

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

March 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	$ 2,395,660	$ -	$ -	$ -	$ -	$ 2,395,660
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 2,395,660	$ -	$ -	$ -	$ -	$ 2,395,660

9. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$ 1,091,910	$ 1,032,112	$ 1,194,777
Supplies	1,507,065	1,446,426	1,291,333
Work in progress	581,026	618,072	653,124
Finished goods	742,470	710,486	675,195
Merchandise inventories	36,318	36,550	38,391
Less: Allowance for inventory devaluation	(119,053)	(118,176)	(130,874)
	$ 3,839,736	$ 3,725,470	$ 3,721,946

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 was $2,412,692 thousand and $2,431,715 thousand, respectively.

The cost of goods sold for the three months ended March 31, 2024 and 2023 included a reversal of inventory write-downs of $877 thousand and $8,134 thousand, respectively and income from the sale of silicon waste of $(14,737) thousand and $(33,284) thousand, respectively.

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership		
Investor	Investee	Nature of Activities	March 31, 2024	December 31, 2023	March 31, 2023
The Company	Japan Formosa Sumco Technology Corporation	Manufacture and sale of high quality ingots and other related businesses	100%	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	$ 28,180,101	$ 71,777,015
Additions	-	-	12,571	15,413	3,285,662	3,313,646
Reclassification	-	-	639,606	7,780	(647,088)	298
Disposals	-	-	-	(430)	-	(430)
Effect of foreign currency exchange differences	-	-	(27,349)	(441)	-	(27,790)
Balance at March 31, 2024	$ 913,329	$ 3,955,332	$ 38,625,443	$ 749,960	$ 30,818,675	$ 75,062,739
Accumulated depreciation and impairment						
Balance at January 1, 2024	$ -	$ 1,909,598	$ 32,857,265	$ 531,304	$ -	$ 35,298,167
Disposals	-	-	-	(430)	-	(430)
Depreciation expense	-	28,139	574,700	21,655	-	624,494
Effect of foreign currency exchange differences	-	-	(18,227)	(359)	-	(18,586)
Balance at March 31, 2024	$ -	$ 1,937,737	$ 33,413,738	$ 552,170	$ -	$ 35,903,645
Carrying amounts at March 31, 2024	$ 913,329	$ 2,017,595	$ 5,211,705	$ 197,790	$ 30,818,675	$ 39,159,094
Carrying amounts at December 31, 2023 and January 1, 2024	$ 913,329	$ 2,045,734	$ 5,143,350	$ 196,334	$ 28,180,101	$ 36,478,848
Cost						
Balance at January 1, 2023	$ 120,906	$ 3,953,681	$ 35,234,835	$ 677,285	$ 8,691,472	$ 48,678,179
Additions	-	-	2,284	16,798	4,423,197	4,442,279
Reclassification	-	170	54,769	1,800	(56,739)	-
Disposals	-	-	(223)	(1,970)	-	(2,193)
Effect of foreign currency exchange differences	-	-	(5,829)	(94)	-	(5,923)
Balance at March 31, 2023	$ 120,906	$ 3,953,851	$ 35,285,836	$ 693,819	$ 13,057,930	$ 53,112,342
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ 1,797,089	$ 30,928,135	$ 469,326	$ -	$ 33,194,550
Disposals	-	-	(223)	(1,970)	-	(2,193)
Depreciation expense	-	28,118	474,548	19,081	-	521,747
Effect of foreign currency exchange differences	-	-	(3,454)	(68)	-	(3,522)
Balance at March 31, 2023	$ -	$ 1,825,207	$ 31,399,006	$ 486,369	$ -	$ 33,710,582
Carrying amounts at March 31, 2023	$ 120,906	$ 2,128,644	$ 3,886,830	$ 207,450	$ 13,057,930	$ 19,401,760

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

Building	
Real estate, dormitories, warehouses, and readiness rooms	23-35 years
Wastewater treatment area and strain tanks	15-35 years
Machinery and equipment	5-12 years
Other equipment	3-12 years

No impairment loss or reversal of impairment loss was recognized for the three months ended March 31, 2024 and 2023.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Buildings	$ 20,547	$ 22,472	$ 9,919

	For the Three Months Ended March 31	
	2024	2023
Depreciation charge for right-of-use assets		
Land	$ -	$ 5,813
Buildings	1,845	1,923
	$ 1,845	$ 7,736

The Group purchased a land that was originally leased from the related parties. Therefore, the Group terminated the original lease agreement in March 2023. The Group derecognized the related carrying amount of right-of-use assets of $24,646 thousand, and lease liabilities - current of $24,646 thousand. Please refer to Note 26.

Except for the aforementioned addition, derecognized and recognized depreciation, the Group did not have a significant increase in sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Current	$ 6,627	$ 7,414	$ 6,770
Non-current	$ 14,036	$ 15,156	$ 3,271

Range of discount rate for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.1%-1.6%	1.1%-1.6%	1.1%

13. INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Technical cooperation fees	$ 5,175	$ 5,860	$ 6,769

	For the Three Months Ended March 31	
	2024	2023
Cost		
Balance at January 1	$ 13,707	$ 12,339
Additions	-	233
Balance at March 31	$ 13,707	$ 12,572
Accumulated amortization		
Balance at January 1	$ 7,847	$ 5,186
Amortization expense	685	617
Balance at March 31	$ 8,532	$ 5,803
Carrying amount at March 31	$ 5,175	$ 6,769

The Company signed a technical cooperation arrangement with Sumco Corporation with a total fee of JPY1,000 thousand (NT$233 thousand) in the first quarter of 2023. In 2023, the Company has paid JPY1,000 thousand (NT$233 thousand), which was amortized over a period of 60 months.

The amortized expense as for the three months ended March 31, 2024 was $685 thousand. The amortization expense is recognized as technical corporation expense under operating costs.

The amortized expense as for the three months ended March 31, 2023 was $617 thousand. The amortization expense is recognized as technical corporation expense under operating costs.

14. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments	$ 432,865	$ 289,220	$ 240,680
Others (including testing fees and electricity subsidies)	2,649	2,887	1,136
	$ 435,514	$ 292,107	$ 241,816
Current	$ 432,865	$ 289,220	$ 240,680
Non-current	2,649	2,887	1,136
	$ 435,514	$ 292,107	$ 241,816

15. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Bank loans	$ 416,000	$ -	$ -
Interest rate			
Bank loans	1.650%-1.775%	-	-

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Bank loans	$ 11,000,000	$ 11,500,000	$ -
Interest rate			
Bank loans	1.7895%	1.7895%-1.8260%	-

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.

On January 29, 2024, the Group paid off the long-term bank loan of $500,000 thousand before its original maturity date of October 15, 2026.

16. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Other payables - current			
Payables for purchase of equipment	$ 3,071,125	$ 3,202,016	$ 1,805,622
Payables for salary and bonus	382,822	520,695	254,544
Payables for insurance	32,510	35,497	31,032
Payables for utilities	79,995	79,599	97,442
Payables for dividends	1,939,414	172	2,831,545
Others (Note)	341,515	268,242	289,400
	$ 5,847,381	$ 4,106,221	$ 5,309,585
Other payables to related parties (current)			
Payables for purchase of equipment - related parties	$ 195,660	$ 203,249	$ 72,893
Payables for royalties - related parties	97,302	436,812	104,488
Payables for accrued expenses - related parties	35,344	29,852	49,013
	$ 328,306	$ 669,913	$ 226,394

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

17. RETIREMENT BENEFIT PLANS

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

	For the Three Months Ended March 31	
	2024	2023
Operating cost	$ 2,344	$ 2,700
Operating expenses	936	653
	$ 3,280	$ 3,353

18. EQUITY

a. Share capital

Ordinary shares

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

	March 31, 2024	December 31, 2023	March 31, 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	$ 5,739,080
May be used to offset a deficit only			
Dividends expired and uncollected by shareholders (2)	228	228	170
	$ 5,739,308	$ 5,739,308	$ 5,739,250

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 dividend policy

Under the dividend 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.

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

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2024	**2023**	**2024**	**2023**
Legal reserve	$ 346,832	$ 485,660		
Special reserve	20,282	16,285		
Cash dividends	1,939,242	2,831,293	$ 5.0	$ 7.30

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 proposed appropriations of earnings for 2023 will be resolved by the shareholders in their meeting on June 27, 2024. The appropriation of earnings for 2022 have been resolved by the shareholders in their meeting on June 15, 2023.

d. Others 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 on available-for-sale financial assets that are recognized in other comprehensive income, excluding those available-for-sale financial assets that have been disposed of or are determined to be impaired subsequently, the related cumulative gains or losses in other comprehensive income are reclassified into profit or loss.

19. REVENUE

	For the Three Months Ended March 31	
	2024	**2023**
Revenue from the sale of goods	$ 3,029,421	$ 3,763,241

Contract Balance

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Trade receivables (Note 8)	$ 1,985,813	$ 3,187,834	$ 2,395,660	$ 2,942,127
Contract liabilities - current	$ 2,100,260	$ 2,252,241	$ 815,821	$ 786,437
Contract liabilities - non-current	$ 2,452,920	$ 2,841,870	$ 4,763,084	$ 4,994,162

20. NET INCOME

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	$ 13,542	$ 33,332

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Others (including commission income, etc.)	$ 8,071	$ 8,110

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Net foreign exchange gains (losses)	$ 91,447	$ (27,423)
Others	(158)	(44)
	$ 91,289	$ (27,467)

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on lease liability	$ 82	$ 93
Interest on bank loans	49,918	-
Other interest expenses	143	84
Less: Amounts included in the cost of qualifying assets	(35,566)	-
	$ 14,577	$ 177

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2024	2023
Capitalized interest amount	$ 35,566	$ -
Capitalization rate	1.70%	-

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 622,655	$ 526,016
Operating expenses	3,684	3,467
	$ 626,339	$ 529,483
An analysis of amortization by function		
Operating costs	$ 685	$ 617
Operating expenses	-	-
	$ 685	$ 617

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits (see to Note 17)		
Defined contribution plans	$ 16,786	$ 17,111
Defined benefit plans	3,280	3,353
	20,066	20,464
Salary and bonus etc.	439,169	471,327
	$ 459,235	$ 491,791
An analysis of employee benefits expense by function		
Operating costs	$ 384,281	$ 428,254
Operating expenses	74,954	63,537
	$ 459,235	$ 491,791

g. Employees' compensation and remuneration of directors.

The Company accrued employees' compensation at the rates no less than 0.05% and no higher than 0.5%, respectively, of net profit before income tax excluding employees' compensation. For the three months ended March 31, 2024 and 2023, the employees' compensation were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	**2023**
Employees' compensation	0.30%	0.30%
Remuneration of directors	-	-

Amount

	For the Three Months Ended March 31	
	2024	**2023**
Employees' compensation	$ 1,451	$ 3,332
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.

The appropriations for employees' compensation and remuneration of directors for 2023 and 2022 have been resolved by the board of directors on March 7, 2024 and March 7, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	$ 12,941	$ 18,027
Remuneration of directors and supervisors	-	-

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

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2024	**2023**
Foreign exchange gains	$ 126,641	$ 74,466
Foreign exchange losses	(35,194)	(101,889)
Net gains (losses)	$ 91,447	$ (27,423)

21. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current year	$ 66,803	$ 226,727
Adjustments for prior years	(17)	(573)
Deferred tax		
In respect of the current year	29,936	(4,847)
Income tax expense recognized in profit or loss	$ 96,722	$ 221,307

b. 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 used in the computation of earnings per shares were as follows:

	For the Three Months Ended March 31	
	2024	2023
Net income	$ 385,667	$ 885,981

Unit: Thousand Shares

	For the Three Months Ended March 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	69	106
Weighted average number of ordinary shares used for computation of diluted earnings per share (in thousands)	387,917	387,954

The Group may settle bonuses or compensation paid to employees in shares or cash; therefore, the Group assume 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. NON-CASH TRANSACTIONS

The cash dividends approved in the Company's board of directors was not yet distributed as of March 31, 2024 and 2023 (refer to Notes 16 and 18, respectively).

24. 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 a 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.

25. 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

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Securities listed in the ROC				
Equity securities	$ 226	$ -	$ -	$ 226

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Securities listed in the ROC				
Equity securities	$ 262	$ -	$ -	$ 262

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Securities listed in the ROC				
Equity securities	$ 275	$ -	$ -	$ 275

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

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	$ 3,994,752	$ 7,555,928	$ 9,731,559
Financial assets at FVTOCI			
Equity instruments	226	262	275
<u>Financial liabilities</u>			
Amortized cost (2)	16,421,275	16,743,333	3,534,804

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 include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables (excluding payable for salary and bonus, employees' compensation, pension cost, dividend 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 28.

<u>Sensitivity analysis</u>

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 the NTD assets (liabilities) against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD Impact		**JPY Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2024	**2023**	**2024**	**2023**
Profit or loss	$ 306,349 (i)	$ 495,923 (i)	$ (82,587) (ii)	$ (42,888) (ii)

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

The Group's sensitivity to the U.S. dollars (USD) decreased during the three months ended March 31, 2024 mainly due to the increase in time deposits in USD. In addition, the Group's sensitivity to Japanese Yen (JPY) increased during the three months ended March 31, 2023 mainly due to the increase of account payables 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:

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Fair value interest rate risk			
Financial assets	$ 1,121,167	$ 3,471,506	$ 6,325,577
Cash flow interest rate risk			
Financial assets	845,446	848,761	974,704
Financial liabilities	11,416,000	11,500,000	-

<u>Sensitivity analysis</u>

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 assets and 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 three months ended March 31, 2024 would have decreased/increased by $26,426 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank borrowings.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2023 would have increased/decreased by $2,437 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank deposits.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase of bank loans for the three months ended March 31, 2024 and 2023.

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 clients, Company A and Company B, which accounted for 10% of total monetary assets as of March 31, 2024, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The receivables from Company A and Company B amounted to $598,117 thousand and $565,475 thousand as of March 31, 2024. The concentration of credit risk related to Company A and Company B was 14.97% and 14.15%, respectively, of the gross monetary assets at any time during the three months ended March 31, 2024. The accounts receivable from any other counterparties were 10% of the gross monetary assets at any time during the three months ended March 31, 2024. The concentration of credit risk to any other counterparties did not exceed 10% of the gross monetary assets at any time during the three months ended March 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 curve at the end of the reporting period.

March 31, 2024

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 5,005,275	$ -	$ -	$ -
Lease liabilities	3,665	2,962	11,727	2,309
Variable interest rate liabilities	416,141	-	11,014,210	-
	$ 5,425,081	$ 2,962	$ 11,025,937	$ 2,309

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 6,627	$ 14,036	$ -	$ -

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	$ -	$ -

March 31, 2023

	1-6 Months	6 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 2,984,567	$ -	$ -	$ -
Lease liabilities	3,881	2,889	3,271	-
	$ 2,988,448	$ 2,889	$ 3,271	$ -

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 6,770	$ 3,271	$ -	$ -

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

March 31, 2024

	1-6 Months	6 Months to 1 Year
Non-derivative financial assets		
Non-interest bearing	$ 2,028,140	$ -
Variable interest rate assets	845,468	-
Fixed interest rate assets	1,124,715	-
	$ 3,998,323	$ -

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	$ -

March 31, 2023

	1-6 Months	6 Months to 1 Year
Non-derivative financial assets		
Non-interest bearing	$ 2,399,589	$ -
Variable interest rate assets	974,792	-
Fixed interest rate assets	6,332,664	-
	$ 9,707,045	$ -

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.

26. 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	Related Party Categories and Relationship with the Group
Sumco Corporation	Ultimate parent entity
Sumco Techxiv Corporation	Parent entity
Sumco Technology Corporation	Sister entity (subsidiary of Sumco Corporation)
Formosa Plastic Corporation	Investor with significant influence over the Group (equity-method investor holding 29.05% of the equity of the Company)
Formosa Technologies Corporation	Others (a director is the chairman of the Company)
Formosa Daikin Advanced Chemicals Co., Ltd.	Others (same chairman)
Formosa Heavy Industries Corporation	Others (same chairman)

b. Operating transaction

1) Sales of goods

Line Items	Related Party Category	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Sales	Ultimate parent entity (Sumco Corporation)	$ 67,591	$ 548,732
	Parent entity (Sumco Techxiv Corporation)	217,647	728,743
		$ 285,238	$ 1,277,475

The transaction prices of the Group for the three months ended March 31, 2024 are based on mutual agreement. The credit terms are from the day the related party confirms the sale: 55 days to ultimate parent entity and parent entity.

The transaction prices of the Group for the three months ended March 31, 2023 are based on mutual agreement. The credit terms are from the day the related party confirms the sale: (a) 55 days to ultimate parent entity; (b) 60 days to parent entity.

2) Purchases of goods

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Ultimate parent entity (Sumco Corporation)	$ 22,759	$ 135,244
Parent entity (Sumco Techxiv Corporation)	4,029	7,496
Investor with significant influence over the Group (Formosa Plastic Corporation)	7,961	10,631
Others (same chairman or a director is the chairman of the Company)	4,191	4,936
	$ 38,940	$ 158,307

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

Receivables from related parties are as follows:

Line Items	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivable	Ultimate parent entity (Sumco Corporation)	$ 11,554	$ 71,354	$ 389,933
	Parent entity (Sumco Techxiv Corporation)	155,101	237,195	531,543
		$ 166,655	$ 308,549	$ 921,476

Payables to related parties are as follows:

Line Items	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables	Ultimate parent entity (Sumco Corporation)	$ 33,231	$ 44,644	$ 97,498
	Parent entity (Sumco Techxiv Corporation)	1,156	717	3,061
	Investor with significant influence over the Group (Formosa Plastic Corporation)	2,998	2,813	4,086
	Others (same chairman or a director is the chairman of the Company)	387	-	390
		$ 37,772	$ 48,174	$ 105,035

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 three months ended March 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

Related Party Categories	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Ultimate parent entity (commission income, accounted for as other income; other income accounted for as deduction of operating costs)	$ 776	$ 487
Sister entity (selling waste income, accounted for as deduction of operating cost)	2,116	4,124
Investor with significant influence over the Group (other income)	504	380
	$ 3,396	$ 4,991

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	Ultimate parent entity (Sumco Corporation)	$ 317	$ 9	$ 134
	Sister entity (Sumco Technology Corporation)	998	917	1,479
		$ 1,315	$ 926	$ 1,613

d. Lease arrangements - Group is lessee

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	Ultimate parent entity (Sumco Corporation)	$ 2,173	$ 2,977	$ 5,477
	Investors with significant influence over the Group (Formosa Plastic Corporation)	17,580	18,502	2,518
		$ 19,753	$ 21,479	$ 7,995

Related Party Category	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Interest expense		
Ultimate parent entity (Sumco Corporation)	$ 7	$ 17
Investors with significant influence over the Group (Formosa Plastic Corporation)	73	69
	$ 80	$ 86

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

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

Furthermore, the rent to the investors with significant influence over the Group (Formosa Plastic Corporation) for the lease of land with 2-year and 5-year lease term in 2022 and 2020 are 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 transferred from Formosa Plastic Corporation.

The rent to the ultimate parent entity (Sumco Corporation) for the lease of factory with 5-year lease term in January 2020 is based on the price agreed by the parties and paid in monthly.

e. Other transactions with related parties

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

	For the Three Months Ended March 31	
	2024	**2023**
Manufacturing expense and repair costs		
Ultimate parent entity (Sumco Corporation)	$ 37,321	$ 70,656
Others (Formosa Technologies Corporation)	5,490	5,346
Others (Formosa Heavy Industries Corporation)	313	280
	$ 43,124	$ 76,282

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Accrued expenses of other payables to related parties			
Ultimate parent entity (Sumco Corporation)	$ 35,344	$ 29,852	$ 49,013

The above-mentioned the transaction prices between the Group and the related parties are based on mutual agreement 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 Three Months Ended March 31	
	2024	2023
Acquisitions of equipment		
Investor with significant influence over the Group (Formosa Plastic Corporation)	$ 1,505	$ 2,620
Others (Formosa Technologies Corporation)	11,090	-
	$ 12,595	$ 2,620

	March 31, 2024	December 31, 2023	March 31, 2023
Accrued expenses of other payables to related parties			
Investor with significant influence over the Group (Formosa Plastic Corporation)	$ 162,220	$ 162,220	$ 13,520
Others (Formosa Technologies Corporation)	33,440	41,029	59,373
	$ 195,660	$ 203,249	$ 72,893

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

3) Prepayments for land and acquisition of land

The Group's acquisition of land from an inventor with significant influence (Formosa Plastic Corporation) was proposed by the Company's board of directors on August 9, 2022 with a contract price of $791,571 thousand. The accumulated prepayments for land were both $791,571 thousand (recognized as land used by the Group and prepayments for land recorded on December 31, 2023 and March 31, 2023, respectively), as of December 31, 2023 and March 31, 2023. The payments for the three months ended March 31, 2023 was $395,786 thousand, and the Company acquired the ownership of land in April 2023.

4) Other transactions

In the first quarter of 2024, the Company signed a technical compensation arrangement with its ultimate parent entity (Sumco Corporation) with a total fee of JPY1,000 thousand (NT$233 thousand). The Company has been paid JPY1,000 thousand (NT$233 thousand), which is amortized over a period of 60 months. It was recognized as intangible asset (refer to Note 13).

Under an existing agreement effective from 2003, the Company is obligated to pay recurring royalty fees to its parent entity. The royalty fee was recognized as selling expenses from January 1 to March 31, 2024 and 2023. The unpaid amount as of March 31, 2024, December 31, 2023 and March 31, 2023 was recognized as accrued expenses (other payables) and will be paid in February of the following year.

In August 2010, the Company signed a technical right and support contract with its ultimate parent company. Under this contract, the Company receives support from the ultimate parent company in technical know-how and assistance in manufacturing of silicon wafer semiconductors. The Company has the obligation to pay recurring royalty fees to the ultimate parent company. The royalty fee was recognized as technical commission fees classified under selling expenses from January 1 to March 31, 2024 and 2023. The unpaid amounts as of March 31, 2024, December 31, 2023 and March 31, 2023, were was 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) that resulted from transactions with related parties are summarized as follows:

	For the Three Months Ended March 31	
	2024	**2023**
Selling expenses (technical support expense)		
Parent entity (Sumco Techxiv Corporation)	$ 749	$ 5,202
Ultimate parent entity (Sumco Corporation)	96,553	99,286
	$ 97,302	$ 104,488

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Payable for royalties (other payables)			
Parent entity (Sumco Techxiv Corporation)	$ 749	$ 17,671	$ 5,202
Ultimate parent entity (Sumco Corporation)	96,553	419,141	99,286
	$ 97,302	$ 436,812	$ 104,488

f. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	**2023**
Short-term employee benefits	$ 1,615	$ 1,246
Post-employment benefits	20	-
Other long-term employee benefits	6	4
	$ 1,641	$ 1,250

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

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and commitments of the Group as of March 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 Company should pay supplementary import duties for the fixed assets.

b. Amounts available under unused letters of credit as of March 31, 2024 were $176,502 thousand, and the available under unused letters of credit were from purchasing machinery and equipment.

c. As of March 31 2024, December 31 2023 and March 31, 2023, the major construction projects and property, plant and equipment signed or ordered by the Company but have not been accepted, amounted to $7,703,820 thousand, $9,097,843 thousand and $19,778,668 thousand, respectively.

28. 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:

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 121,295	31.990 (USD:NTD)	$ 3,880,214
JPY	336,121	0.2111 (JPY:NTD)	70,927
			$ 3,951,141
Financial liabilities			
Monetary items			
USD	20,129	31.990 (USD:NTD)	$ 643,937
USD	5,401	151.540 (USD:JPY)	172,786
JPY	4,248,203	0.2111 (JPY:NTD)	896,796
			$ 1,713,519

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

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 178,751	30.454 (USD:NTD)	$ 5,443,696
JPY	111,656	0.2293 (JPY:NTD)	25,603
			$ 5,469,299
Financial liabilities			
Monetary items			
USD	13,399	30.454 (USD:NTD)	$ 408,058
USD	2,509	132.813 (USD:JPY)	76,405
JPY	1,982,021	0.2293 (JPY:NTD)	454,478
			$ 938,941

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

29. 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 26 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)

30. 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 three months ended March 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 significant material policies".

a. Segment revenues and results

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

	Segment Revenue		Segment Profit	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2024	2023	2024	2023
Silicon wafer segment	$ 3,029,421	$ 3,763,241	$ 474,476	$ 1,099,222
Miscellaneous income			8,071	8,110
Miscellaneous expense			(158)	(44)
Profit before tax			$ 482,389	$ 1,107,288

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

Segment profit represents the profit earned by the silicon wafer segment without allocation of miscellaneous income (included in non-operating income) and 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.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 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 Period (Note 3)	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrower	Total Financing Amount Limits	Note
													Item	Value			
0	Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Receivables from related parties	Yes	$ 556,280 (Notes 3 and 4)	$ 556,280 (Notes 3 and 4)	$ 312,287 (Note 5)	1.00%	2	$ -	Operating capital	$ -	None	$ -	$ 2,388,647	$ 11,943,236	
		Formosa Plastic Corporation	Receivables from related parties	Yes	490,000 (Note 3)	490,000 (Note 3)	-	1.00%	2	-	Operating capital	-	None	-	5,971,618	11,943,236	

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, 2023 to June 9, 2024.

Note 5: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Held Company Name	Marketable Securities Type and Name (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	Ending Balance				Note
				Shares	Carrying Value (Note 3)	Percentage of Ownership (%)	Fair Value	
Formosa Sumco Technology Corporation	Shares Formosa Petrochemical Corporation		Financial assets at FVTOCI	3,247	$ 226		$ 226	

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 $188 thousand.

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

TABLE 3

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Formosa Sumco Technology Corporation	Sumco Techxiv Corporation	Parent Company of Formosa Sumco Technology Corporation	Sale	$ 217,647	7.18	Net 55 days from the end of the month of when invoice is issued	No significant difference	No significant difference	$ 155,101	7.81	
	Japan Formosa Sumco Technology Corporation	Subsidiary of Formosa Sumco Technology Corporation	Purchase	132,799	3.87	70 days receipts of the Company's goods	No significant difference	No significant difference	(133,253)	(23.19)	Note
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	Sale	132,799	100.00	70 days receipts of the Company's goods	No significant difference	No significant difference	133,253	100.00	Note

Note: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 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	$ 155,101	4.44	$ -	-	$ 81,574	$ -
Japan Formosa Sumco Technology Corporation	Formosa Sumco Technology Corporation	Parent company	133,253 (Note 2)	3.73	-	-	32,745	-
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Subsidiary	312,889 (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 $312,287 thousand and interest of $602 thousand.

Note 2: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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	$ 132,799	General terms	4.38
		〃	〃	Interest income	668	General terms	0.02
		〃	〃	Trade payables	133,253	General terms	0.27
		〃	〃	Other receivables (include interest receivables)	312,889	General terms	0.64

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

Note 3: The amount was eliminated upon consolidation.

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 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 March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
Formosa Sumco Technology Corporation	Japan Formosa Sumco Technology Corporation	Japan	Manufacturing, selling and other related business of high quality ingot	JPY 998,000 (NT$ 248,390)	JPY 998,000 (NT$ 248,390)	9,980	100	JPY 1,579,851 (NT$ 302,234)	JPY (32,478) (NT$ -6,872)	JPY (48,861) (NT$ -19,048)	Notes 1 and 2

Note 1: The share of profits (losses) of the 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.

TABLE 7

FORMOSA SUMCO TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

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

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