English Translation of Financial Statements and A Report Originally Issued in Chinese

Ticker: 6182

WAFER WORKS CORP.
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS
WITH A REPORT OF INDEPENDENT AUDITORS
AS OF DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS THEN ENDED

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The reader is advised that these parent-company-only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

Parent-company-only financial statements

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English Translation of Financial Statements and a Report Originally Issued in Chinese

AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors and Shareholders of
Wafer Works Corp.

Opinion

We have audited the accompanying parent-company-only balance sheets of Wafer Works Corp. (the "Company") as of December 31, 2024 and 2023, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together "the parent-company-only financial statements").

In our opinion, based on the results of our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2024 and 2023, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 parent-company-only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT$4,080,113 thousand for the year ended December 31, 2024 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Asia, Europe, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the parent-company-only financial statements.

Provision against inventory

We determine that provision against inventory is also one of the key audit matters. The Company's inventory in amount of NT$1,454,092 thousand, representing 7% of parent-company-only total assets, as of December 31, 2024 is significant to the Company's financial statements. Due to material price being influenced by market demand and supply, the prices of inventory tend to change rapidly. The determination of inventory's net realizable value involved the significant judgement from management. We decide it to be one of our key audit matters and our audit procedures therefore have been prescribed to include, but not limit to, assessing the appropriateness of the Company's inventory provision policy (including how the management estimates the net realizable value of inventory in considering of expecting demand and market values), testing the effectiveness of internal control system and execution regarding inventory management, evaluating the accuracy of the inventory's net realizable value applied by management (including sale price), test samples, etc. Also, we have evaluated the appropriateness of the related disclosure in Notes 5 and 6 to the parent-company-only financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of Helitek Company Ltd., an indirectly invested associate accounted for under the equity method by the Company. The financial statements of Helitek Company Ltd. as of December 31, 2024 and 2023, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT$192,175 thousand and NT$191,912 thousand as of December 31, 2024 and 2023 representing 0.88% and 1.18% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT$(12,476) thousand and NT$1,424 thousand representing (81.53)% and 0.19% of the Company's income before tax, are based solely on the audit reports of other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent-company-only 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 parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only 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 2024 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Cheng, Ching-Piao

/s/Chang, Chih-Ming

Ernst & Young
March 14, 2025
Taipei, Taiwan,
Republic of China

Notices to Readers

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

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

Parent-Company-Only Balance Sheets

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$3,351,104	15	$1,879,090	12
1110	Financial assets at fair value through profit or loss	4, 6(2)	-	-	4,165	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	14,862	-	20,565	-
1170	Accounts receivable, net	4, 6(5)	556,883	3	491,396	3
1180	Accounts receivable - related parties	4, 6(5), 7	364,574	2	327,105	2
1200	Other receivables		49,288	-	19,697	-
1210	Other receivables-related parties	7	52,128	-	50,100	-
1310	Inventories, net	4, 6(6)	1,454,092	7	1,425,979	9
1410	Prepayments		295,322	1	213,946	1
1470	Other current assets		1,681	-	1,681	-
11XX	Total current assets		6,139,934	28	4,433,724	27
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income	4, 6(3)	108,600	-	45,500	-
1536	Financial assets measured at amortized cost	4, 6(4), 8	21,967	-	21,967	-
1551	Investments accounted for using the equity method	4, 6(7)	8,011,713	38	5,773,151	36
1600	Property, plant and equipment	4, 6(8), 7 , 8 , 9	6,882,334	31	5,535,494	34
1755	Right-of-use assets	4, 6(21)	227,118	1	222,735	2
1780	Intangible assets	4, 6(9)	4,286	-	6,120	-
1840	Deferred tax assets	4, 6(25)	37,873	-	37,873	-
1915	Prepayment for equipment		362,331	2	154,654	1
1920	Refundable deposits	9	77,768	-	77,768	-
1990	Other non-current assets	9	28,704	-	20,499	-
15XX	Total non-current assets		15,762,694	72	11,895,761	73
1XXX	Total Assets		$21,902,628	100	$16,329,485	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	$720,000	3	$440,000	3
2120	Financial liabilities at fair value through profit or loss	4, 6(11)	2,464	-	-	-
2130	Contract liabilities	4, 6(19), 9	91,008	-	67,748	-
2170	Accounts payable		249,064	1	218,584	1
2180	Accounts payable - related parties	7	22,159	-	11,692	-
2200	Other payables	6(12)	521,206	3	578,524	3
2220	Other payable - related parties	7	298	-	234	-
2230	Current income tax liabilities	4	322,753	2	394,033	3
2281	Lease liability	4, 6(21)	20,261	-	18,051	-
2322	Current portion of long-term loans	6(15), 8	320,440	1	107,884	1
2399	Other current liabilities	6(13)	5,472	-	2,692	-
21XX	Total current liabilities		2,275,125	10	1,839,442	11
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss	4, 6(11)	18,000	-	-	-
2527	Contract liabilities	4, 6(19)	-	-	65,976	-
2530	Bonds Payable	4, 6(14)	1,644,969	8	292,695	2
2540	Long-term loans	6(15), 8	2,453,995	12	1,691,077	11
2570	Deferred tax liabilities	4, 6(25)	73,695	-	95,649	1
2581	Lease liability	4, 6(21)	209,110	1	207,459	1
2630	Long-term deferred revenue	6(13)	14,352	-	4,217	-
2640	Accrued pension liabilities	4, 6(16)	6,316	-	18,684	-
2645	Deposits received		11,400	-	48,108	-
2650	Credit balance in investments accounted for using the equity method	4, 6(7)	76,787	-	70,065	-
25XX	Total non-current liabilities		4,508,624	21	2,493,930	15
2XXX	Total liabilities		6,783,749	31	4,333,372	26
	Equity					
3100	Capital	6(17)				
3110	Common stock		5,732,436	26	5,418,836	33
3200	Capital surplus	6(17)	6,967,673	32	4,105,199	25
3300	Retained earnings	6(17)				
3310	Legal reserve		776,095	4	718,608	5
3320	Special reserve		408,286	2	265,458	2
3350	Unappropriated earnings		1,376,992	6	1,919,123	12
3400	Other components of equity		(142,603)	(1)	(431,111)	(3)
3XXX	Total equity		15,118,879	69	11,996,113	74
	Total liabilities and equity		$21,902,628	100	$16,329,485	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2024 Amount	%	2023 Amount	%
4000	Operating revenue	4, 6(19), 7	$4,080,113	100	$4,540,046	100
5000	Operating costs	6(22), 7	(3,312,396)	(81)	(3,432,495)	(76)
5900	Gross profit from operations		767,717	19	1,107,551	24
6000	Operating expenses	6(22)				
6100	Selling		(119,406)	(3)	(140,716)	(3)
6200	General and administrative		(299,992)	(7)	(293,244)	(6)
6300	Research and development		(505,403)	(12)	(419,617)	(9)
6450	Expected credit gains (losses)	6(20)	-	-	-	-
	Operating expenses total		(924,801)	(22)	(853,577)	(18)
6900	Operating income (loss)		(157,084)	(3)	253,974	6
7000	Non-operating income and expenses	6(23)				
7100	Interest income		30,476	1	31,459	1
7010	Other income		13,017	-	19,585	-
7020	Other gains and losses	7	12,647	-	(510)	-
7050	Finance costs		(76,846)	(2)	(56,221)	(1)
7060	Share of profit or loss of subsidiaries, associates and joint ventures		193,092	5	506,854	11
	Non-operating income and expense total		172,386	4	501,167	11
7900	Income before income tax		15,302	1	755,141	17
7950	Income tax expenses	4, 6(25)	(11,269)	-	(186,386)	(4)
8200	Net income		4,033	1	568,755	13
8300	Other comprehensive income (loss)	6(24)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		6,843	-	6,112	-
8316	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(31,679)	(1)	(47,922)	(1)
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		335,937	8	(94,906)	(2)
	Total other comprehensive income (loss), net of tax		311,101	7	(136,716)	(3)
8500	Total comprehensive income (loss)		$315,134	8	$432,039	10
9750	Earnings per share - basic (in NT$)	6(26)	$0.01		$1.05	
9850	Earnings per share - diluted (in NT$)	6(26)	$0.01		$1.05	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

		Capital		Retained earnings			Other components of equity			
	Items	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income (loss)	Unearned Employee Compensation Expense	Total equity
Code		3100	3200	3310	3320	3350	3410	3420	3490	3XXX
A1	Balance as of January 1, 2023	$5,409,336	$4,074,419	$500,513	$326,457	$2,853,686	$(190,427)	$(75,031)	$-	$12,898,953
	Appropriation and distribution of 2022 earnings									
B1	Legal reserve			218,095		(218,095)				-
B3	Special reserve				(60,999)	60,999				-
B5	Cash dividends - common shares					(1,352,334)				(1,352,334)
D1	Net income for 2023					568,755				568,755
D3	Other comprehensive income (loss), net of tax, for 2023.					6,112	(94,906)	(47,922)		(136,716)
D5	Total comprehensive income (loss)	-	-	-	-	574,867	(94,906)	(47,922)	-	432,039
T1	Restricted Employee Stock and Other	9,500	30,780						(22,825)	17,455
Z1	Balance as of December 31, 2023	5,418,836	4,105,199	718,608	265,458	1,919,123	(285,333)	(122,953)	(22,825)	11,996,113
	Appropriation and distribution of 2023 earnings									
B1	Legal reserve			57,487		(57,487)				-
B3	Special reserve				142,828	(142,828)				-
B5	Cash dividends - common shares					(352,783)				(352,783)
C5	Embedded conversion options derived from convertible bonds		203,927							203,927
C7	Changes in subsidiaries, associates, and joint ventures accounted for under equity method		2,109,648							2,109,648
D1	Net income for 2024					4,033				4,033
D3	Other comprehensive income (loss), net of tax, for 2024.					6,843	335,937	(31,679)		311,101
D5	Total comprehensive income (loss)	-	-	-	-	10,876	335,937	(31,679)	-	315,134
E1	Capital increase by cash	300,000	505,028							805,028
T1	Restricted Employee Stock and Other	13,600	43,871			91			(15,750)	41,812
Z1	Balance as of December 31, 2024	$5,732,436	$6,967,673	$776,095	$408,286	$1,376,992	$50,604	$(154,632)	$(38,575)	$15,118,879

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023
AAAA	Cash flows from operating activities:		
A10000	Net income before tax	$15,302	$755,141
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	13,829	(4,046)
A21200	Interest income	(30,476)	(31,459)
A20900	Interest expense	76,846	56,221
A20100	Depreciation (Including right of use assets)	597,020	541,473
A20200	Amortization	4,464	5,170
A21900	Cost of share based payment	56,932	17,455
A22400	Share of profit or loss of subsidiaries, associates and joint ventures	(193,092)	(506,854)
A22500	Loss (gain) on disposal of property, plant and equipment	(428)	1,458
A23700	Impairment loss (reversal gain) on non-financial assets	-	(1,603)
A29900	Gain on government grants	(2,940)	(1,231)
A30000	Changes in operating assets and liabilities:		
A31150	Accounts receivables	(65,487)	233,566
A31160	Accounts receivable - related parties	(37,469)	229,379
A31180	Other receivables	(30,145)	22,340
A31190	Other payable - related parties	(2,028)	(651)
A31200	Inventories	(28,113)	228,799
A31230	Prepayment	(92,169)	73,015
A32125	Contract liabilities	(42,716)	(43,750)
A32150	Accounts payable	30,480	(194,796)
A32160	Accounts payable - related parties	10,467	(15,624)
A32180	Other payables	(95,986)	(170,928)
A32190	Other payables - related parties	64	(235)
A32230	Other current liabilities	(35)	(47)
A32240	Net defined benefit liability (asset)	(5,525)	(4,898)
A33000	Cash generated from operations	178,795	1,187,895
A33100	Interest received	31,030	32,123
A33200	Dividend received	337,642	106,788
A33300	Interest paid	(53,108)	(46,771)
A33500	Income tax paid	(64,399)	(269,112)
AAAA	Net cash provided by (used in) operating activities	429,960	1,010,923

Code	Items	2024	2023
BBBB	Cash flows from investing activities:		
B00010	Proceeds from disposal of financial assets at fair value through other comprehensive income	(63,100)	(45,500)
B00040	Acquisition of financial assets at amortized cost	-	(5,870)
B00050	Disposal of financial assets at amortized cost	5,703	-
B02700	Acquisition of property, plant and equipment	(1,887,189)	(1,126,062)
B02800	Proceeds from disposal of property, plant and equipment	428	148
B03700	Decrease (increase) in refundable deposits	-	(5,928)
B04500	Acquisition of intangible assets	(2,630)	(334)
B07100	Decrease (increase) in prepayment for equipment	(207,677)	16,847
BBBB	Net cash provided by (used in) investing activities	(2,154,465)	(1,166,699)
CCCC	Cash flows from investing activities:		
C00100	Increase (decrease) in short-term loans	280,000	(73,372)
C01200	Issuance of corporate bonds	1,554,776	-
C01600	Increase in long-term loans	1,096,740	294,610
C01700	Repayment of long-term loans	(110,025)	(30,625)
C03000	Increase (decrease) in guarantee deposits received	(36,708)	(18,657)
C04020	Payments of lease liabilities	(25,389)	(21,691)
C04500	Payment of cash dividends	(352,783)	(1,352,334)
C04600	Capital increase by cash	789,908	-
CCCC	Net cash provided by (used in) financing activities	3,196,519	(1,202,069)
EEEE	Net Increase (decrease) in cash and cash equivalents	1,472,014	(1,357,845)
E00100	Cash and cash equivalents at beginning of period	1,879,090	3,236,935
E00200	Cash and cash equivalents at end of period	$3,351,104	$1,879,090

(The accompanying notes are an integral part of the parent-company-only financial statements.)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

1. History and organization

Wafer Works Corp. (the "Company") was incorporated on July 24, 1997. The Company's major business activities are as follows:

(1)R&D, design, manufacturing and sales of semiconductor materials;
(2)Technique consulting business, service business and trading for above items.

The Company's common shares were publicly listed on the Taiwan Gre Tai Securities Market on May 13, 2002. The Company's registered office and main business address is at No.100, Longyuan 1st Rd., Longtan Science Park, Taoyuan City, Taiwan, R.O.C.

2. Date and procedures of authorization of financial statements for issue

The financial statements of the Company were authorized to be issued in accordance with a resolution of the Board of Directors' meeting on March 14, 2025.

3. Newly issued or revised standards and interpretation

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(B) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(D) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(E) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(G) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (C), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1)Statement of compliance

The Company's parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (Regulations).

(2)Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3)Foreign currency transactions

The Company's parent-company-only financial statements are presented in its functional currency, New Taiwan Dollars (NTD). Items included in the parent-company-only financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a)Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b)Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instrument.

(c)Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5)Current and non-current distinction for assets and liabilities

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Company holds the asset primarily for the purpose of trading
(c) The Company expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle
(b) The Company holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(6)Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7)Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

The Company determines the classification of its financial assets at initial recognition. In accordance with IFRS 9 and the Regulations, financial assets of the Company are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and notes, accounts and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

A. Financial assets: Recognition and Measurement

Purchase or sale of financial assets is recognized using trade date accounting.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) The Company's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) 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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Additionally, at initial recognition, the Company make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss and trade receivable.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

Financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8)Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9)Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –By actual purchase cost with weighted average method.
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10)Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 “Consolidated Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company’s related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11)Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery	1~15 years
Transportation	5 years
Office equipment	2~7 years
Other equipment	2~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The property, plant and equipment’s residual values, useful lives and methods of depreciation are reviewed at each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

<u>Company as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A.fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B.variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C.amounts expected to be payable by the lessee under residual value guarantees;
D.the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E.payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A.the amount of the initial measurement of the lease liability;
B.any lease payments made at or before the commencement date, less any lease incentives received;
C.any initial direct costs incurred by the lessee; and
D.an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 3 years).

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Limited
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

Impairment loss or reversals of continuing operations are recognized in profit or loss.

(15)Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Company's types of revenue are explained as follow:

Sale of goods

The Company mainly manufactures and sells of its products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is Poly-Silicon and revenue is recognized based on the consideration stated in the contract. The remaining sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The credit period of the Company's sale of goods is from 60 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers therefore there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(16)Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17)Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(18)Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(19)Share-based payment transactions

The cost of equity-settled transactions between the Company and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(20) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred income tax is a temporary difference between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the time of the transaction, there was no equivalent taxable and deductible temporary difference.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed and recognized at each reporting date and are recognized accordingly.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a)Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flows model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b)Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(c)Inventory

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(d)Post-employment benefits

The cost of post-employment benefit pension plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the change in the discount rate and expected salary level. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6.

(e)Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

6. Contents of significant accounts

(1)Cash and cash equivalents

	As of December 31,	
	2024	2023
Cash on hand	$262	$282
Checking and savings	3,090,860	1,503,103
Time deposits(Note)	259,982	345,705
Resale agreements collateralized by corporate bonds	-	30,000
Total	$3,351,104	$1,879,090

Note: The contract will expire within three months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

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

	As of December 31,	
	2024	2023
Mandatorily measured at fair value through profit or loss:		
Forward exchange agreement	$-	$4,165
Current	$-	$4,165
Non-current	-	-
Total	$-	$4,165

Financial assets at fair value through profit or loss were not pledged.

(3)Financial asset measured at fair value through other comprehensive income

	As of December 31,	
	2024	2023
Equity instruments at fair value through other comprehensive income - non-current:		
Unlisted company shares	$108,600	$45,500

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Financial assets at fair value through other comprehensive income were not pledged.

(4)Financial assets measured at amortized cost

	As of December 31,	
	2024	2023
Certificate of deposit – restricted	$36,829	$42,532
Current	$14,862	$20,565
Non-current	21,967	21,967
Total	$36,829	$42,532

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5)Accounts receivable and accounts receivable - related parties, net

(a)Accounts receivable, net:

	As of December 31,	
	2024	2023
Accounts receivable, gross	$557,876	$492,389
Less: loss allowance	(993)	(993)
Net of allowances	556,883	491,396
Accounts receivable - related parties, gross	364,574	327,105
Less: loss allowance	-	-
Net of allowances	364,574	327,105
Total accounts receivable, net	$921,457	$818,501

(b)Accounts receivable were not pledged.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c)Accounts receivable are generally on 60 to 90 day terms. The total carrying amount for the years ended December 31, 2024 and 2023, are NT$922,450 thousand and NT$819,494 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for year ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(6)Inventories

(a)Inventories consist of the following:

	As of December 31,	
	2024	2023
Raw materials	$257,548	$225,168
Supplies & parts	427,242	409,061
Work in progress	590,960	628,642
Finished goods	178,342	163,108
Total	$1,454,092	$1,425,979

(b)The cost of inventories recognized in expenses amounted to NT$3,312,396 thousand and NT$3,432,495 thousand for the years ended December 31, 2024 and 2023 respectively. The following losses were included in cost of sales :

	For the year ended December 31,	
Item	2024	2023
Loss (gain) from inventory market decline	$(8,863)	$20,000
Loss from inventory write-off obsolescence	-	191
Total	$(8,863)	$20,191

The Company recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed.

(c)Inventories were not pledged.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(7)Investments accounted for under the equity method

	As of December 31,			
	2024		2023	
Investee companies	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in subsidiaries:				
Wafer Works Investment Corp.	$8,009,004	100%	$5,769,804	100%
Heli-Vantech Corp.	2,709	100%	3,347	100%
Huaxin (Shanghai) Technology Co. Ltd.	(76,787)	100%	(70,065)	100%
Total	$7,934,926		$5,703,086	
Investments accounted for under the equity method on the consolidated balance sheets	$8,011,713		$5,773,151	
Credit balance in investments accounted for using the equity method	$76,787		$70,065	

A. Investments in subsidiaries:

Investments in subsidiaries were present in the parent-company-only financial statements under the caption of investments accounted for under equity method or credit for investment accounted for the equity method. Valuation adjustment is made if deemed necessary.

Please refer to the Company’s consolidated financial statements for the information on the Company’s subsidiaries.

B. The Company’s investments accounted for under the equity method were not pledged.

(8)Property, plant and equipment

	As of December 31,	
	2024	2023
Owner occupied property, plant and equipment	$6,882,334	$5,535,494

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

A. Property, plant and equipment for own-use

	Land	Buildings	Machinery	Transportation	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2024	$259,131	$1,479,099	$10,178,516	$10,113	$273,543	$286,086	$1,177,883	$13,664,371
Additions	-	-	-	-	-	-	1,924,594	1,924,594
Disposals	-	-	(75,308)	(1,259)	(3,976)	(6,915)	-	(87,458)
Other changes	-	10,168	533,287	-	4,036	100	(547,591)	-
As of December 31, 2024	$259,131	$1,489,267	$10,636,495	$8,854	$273,603	$279,271	$2,554,886	$15,501,507
Depreciation and impairment:								
As of January 1, 2024	$-	$488,978	$7,277,482	$9,716	$171,057	$181,644	$-	$8,128,877
Depreciation	-	25,624	508,945	124	27,964	15,097	-	577,754
Disposals	-	-	(75,308)	(1,259)	(3,976)	(6,915)	-	(87,458)
As of December 31, 2024	$-	$514,602	$7,711,119	$8,581	$195,045	$189,826	$-	$8,619,173
Cost:								
As of January 1, 2023	$259,131	$1,479,099	$9,108,599	$10,113	$190,360	$266,825	$1,458,786	$12,772,913
Additions	-	-	-	-	-	-	977,327	977,327
Disposals	-	-	(73,734)	-	(4,617)	(5,915)	(1,603)	(85,869)
Other changes	-	-	1,143,651	-	87,800	25,176	(1,256,627)	-
As of December 31, 2023	$259,131	$1,479,099	$10,178,516	$10,113	$273,543	$286,086	$1,177,883	$13,664,371
Depreciation and impairment:								
As of January 1, 2023	$-	$461,232	$6,892,199	$9,471	$153,349	$173,990	$-	$7,690,241
Depreciation	-	27,746	460,618	245	22,324	13,569	-	524,502
Reversal of impairment losses	-	-	(1,603)	-	-	-	-	(1,603)
Disposals	-	-	(73,732)	-	(4,616)	(5,915)	-	(84,263)
As of December 31, 2023	$-	$488,978	$7,277,482	$9,716	$171,057	$181,644	$-	$8,128,877

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Land	Buildings	Machinery	Transportation	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Net carrying amount as of:								
December 31, 2024	$259,131	$974,665	$2,925,376	$273	$78,558	$89,445	$2,554,886	$6,882,334
December 31, 2023	$259,131	$990,121	$2,901,034	$397	$102,486	$104,442	$1,177,883	$5,535,494

B. For the year ended December 31, 2023, the NT$1,603 thousand gain on reversal of impairment loss represented the sold of certain property, plant and equipment in the company. This has been recognized in the statement of comprehensive incomes.

C. Please refer to Note 8 for more details on property, plant and equipment under pledge.

D. Significant components of PPE are depreciation over their useful lives.

(9)Intangible assets

	Computer software
Cost:	
As of January 1, 2024	$13,441
Additions – acquired separately	2,630
Derecognized upon retirement	(4,862)
As of December 31, 2024	$11,209
As of January 1, 2023	$16,290
Additions – acquired separately	334
Derecognized upon retirement	(3,183)
As of December 31, 2023	$13,441
Amortization and Impairment:	
As of January 1, 2024	$7,321
Amortization	4,464
Derecognized upon retirement	(4,862)
As of December 31, 2024	$6,923

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Computer software
As of January 1, 2023	$5,334
Amortization	5,170
Derecognized upon retirement	(3,183)
As of December 31, 2023	$7,321
Carrying amount, net:	
As of December 31, 2024	$4,286
As of December 31, 2023	$6,120

Amortization expense of intangible assets under the statement of comprehensive income:

	For the year ended December 31,	
	2024	2023
Operating costs	$287	$198
General and administrative	4,177	4,928
Research and development	-	44
Total	$4,464	$5,170

(10)Short-term loans

		As of December 31,	
	Interest Rate (%)	2024	2023
Unsecured financial structure loans	1.78%~5.97%	$720,000	$440,000

The Company’s unused short-term lines of credits amounted to NT$2,730,000 thousand and NT$3,330,581 thousand as of December 31, 2024 and 2023 respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

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

	As of December 31,	
	2024	2023
Mandatorily measured at fair value through profit or loss：		
Embedded derivative	$18,000	$-
Forward foreign exchange contracts	2,464	-
Total	$20,464	$-
Current	$2,464	$-
Non-current	18,000	-
Total	$20,464	$-

(12)Other payables

	As of December 31,	
	2024	2023
Accrued expense	$409,569	$505,555
Accrued interest payable	3,089	1,826
Payable on equipment	108,548	71,143
Total	$521,206	$578,524

(13)Other current liabilities

A. Details of other current liabilities

	As of December 31,	
	2024	2023
Other current liabilities	$1,007	$1,042
Deferred government grants income	4,465	1,650
Total	$5,472	$2,692

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. The changes in the Company's balances of deferred government grants income for the year ended December 31, 2024 and 2023 are as follows:

	For the year ended December 31,	
	2024	2022
Beginning balance	$5,867	$3,540
Received during the period	15,890	3,558
Released to the statement of comprehensive income	(2,940)	(1,231)
Ending Balance	$18,817	$5,867
Current	$4,465	$1,650
Non-current	$14,352	$4,217

C. Please refer to Note 6(15) for more details on interest rate of deferred government grants income.

(14)Bonds payable

A. The details of the bonds payable as of December 31, 2024 and 2023 is as follows:

	As of December 31,	
	2024	2023
Liability component:		
Principal amount	$1,797,600	$297,600
Less: discounts on bonds payable	(152,631)	(4,905)
Net of allowances	1,644,969	292,695
Less: current portion	-	-
Net	$1,644,969	292,695
Embedded derivative - redemption, put options	$18,000	$-
Equity component - conversion right	$231,732	$12,685

For the details of the gain or loss from valuation through profit or loss on embedded derivative - redemption, put options and the interest expense on the convertible bonds payable, please refer to Notes 6 (23) to the consolidated financial statement.

B. On July 27, 2021, the Company issued the 7 th unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A)Issue amount: NT$300,000 thousand

(B)Issue date: July 27, 2021

(C)Issue price: Issued at par value

(D)Coupon rate: 0%

(E)Period: July 27, 2021 to July 27, 2026

(F)Settlement: The convertible bonds' holder (hereinafter referred to as "bondholders") can convert the bond into the Company's common stock in accordance with Article 10 of the Company's conversion rules. The Company can also recall the bonds before maturity and buy back the cancellation from bonds dealer in accordance with Article 18 of the Company's conversion rules. Otherwise, the Company will repay the convertible bonds held by the bondholder in cash at 102.016% of the par value of the bonds (the actual annual yield is 0.4%) within 15 business days after maturity date of the convertible bonds.

(G)Conversion period: The bondholders will have the right to convert their bonds at any time during the conversion period commencing on October 28, 2021 (the 90th day following the closing date) and ending at the close of business on July 27, 2026 (the maturity date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date on (and including) such record; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction；(iv) no request for conversion other than the starting date of the stop of the conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange.

(H)Conversion price and adjustment: The conversion price was originally at NT$70 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

Due to the distribution of cash dividends at NT$1.1 per ordinary share in 2021, the Company adjusted the conversion price in accordance with the Company's 7th domestic unsecured conversion corporate bond issuance and conversion measures. Therefore, the conversion price was adjusted to NT$68.9 since August 15, 2021.

Due to the distribution of cash dividends at NT$1.35 per ordinary share in 2022, the Company adjusted the conversion price in accordance with the Company's 7th domestic unsecured conversion corporate bond issuance and conversion measures. Therefore, the conversion price was adjusted to NT$66.2 since July 25, 2022.

Due to the distribution of cash dividends at NT$2.50 per ordinary share in 2023, the Company adjusted the conversion price in accordance with the Company's 7th domestic unsecured conversion corporate bond issuance and conversion measures. Therefore, the conversion price was adjusted to NT$62.7 since July 25, 2023.

Due to the distribution of cash dividends at NT$0.65 per ordinary share in 2024, the Company adjusted the conversion price in accordance with the Company's 7th domestic unsecured conversion corporate bond issuance and conversion measures. Therefore, the conversion price was adjusted to NT$61.7 since July 29, 2024.

(I)Redemption clauses:	(i)The Company may redeem the convertible bonds from the next day (October 28, 2021) following a three-month period after the bonds are issued to 40 days before the maturity date (June 17, 2026) if the following terms are met: when the closing price of the Company's common shares is 30% above the convertible price for 30 consecutive trading days, the Company may, within the following 30 business days (the aforesaid period shall start from the day the letter is delivered by the Company, and the expiry date of the period shall be the measurement date for bond recovery, and the aforesaid period shall not fall in the period of conversion suspension stated in Article 9 of the Regulation), send a bond redemption notification letter via registered mail to the bondholders. (The bondholders list shall be based on the updated list five business days before sending the bond redemption notification letter to the bondholders. Public announcements will be made for bondholders who acquire the convertible bonds subsequently from transactions or other reasons). The redemption price would be set at the face value and the bond is purchased by cash, which would be announced over the Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within eight business days after the bond recovery measurement date.

(ii)The Company may redeem the convertible bonds from the next day (October 28, 2021) following a three-month period after the bonds are issued to 40 days before the maturity date (June 17, 2026) if the following terms are met: when the total value of outstanding convertible bonds becomes less than 10% of the total principal, the Company may, within the following 30 business days (the aforesaid period shall start from the day the letter is delivered by the Company, and the expiry date of the period shall be the measurement date for bond recovery, and the aforesaid period shall not fall in the period of conversion suspension stated in Article 9 of the Regulation), send a bond redemption notification letter via registered mail to the bondholders. (The bondholders list shall be based on the updated list five business days before sending the bond redemption notification letter to the bondholders. Public announcements will be made for bondholders who acquire the convertible bonds subsequently from transactions or other reasons). The redemption price would be set at the face value and the bond is purchased by cash, which would be announced over the Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within eight business days after the bond recovery measurement date.

(iii)The business day following the base date for the recovery of the convertible bonds is the Taipei Exchange termination date for the convertible bonds, and the deadline for the bondholders to request conversion is the second business day after the Taipei Exchange termination date, but the bondholders shall apply to the original trading broker to convert the convertible bonds into ordinary shares of the Company one business day after the date of termination of listing of the convertible bonds. If the bondholder does not apply for conversion within the aforesaid period, the Company will redeem the convertible bonds held by such bondholder at the bond face value. The converted bonds will be recovered in cash within eight days after the bond recovery base date. If the aforementioned date is the day when the Taipei Stock Exchange Market is closed, it will be postponed to the next business day.

C. On September 27, 2024, the Company issued the 8th unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A)Issue amount: NT$1,500,000 thousand

(B)Issue date: September 27, 2024

(C)Issue price: Issued at 102.2% par value

(D)Coupon rate: 0%

(E)Period: September 27, 2024 to September 27, 2029

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(F)Settlement:	The convertible bonds' holder (hereinafter referred to as "bondholders") can convert the bond into the Company's common stock in accordance with Article 10 of the Company's conversion rules or execute put option in accordance with Article 19 of the Company's conversion rules. The Company can also recall the bonds before maturity and buy back the cancellation from bonds dealer in accordance with Article 18 of the Company's conversion rules. Otherwise, the Company will repay the convertible bonds held by the bondholder in cash at par value of the bonds within 10 business days(inclusive of the 10^{th} business day) after maturity date of the convertible bonds.
(G)Conversion period:	The bondholders will have the right to convert their bonds at any time during the conversion period commencing on December 28, 2024 (the 90^{th} day following the closing date) and ending at the close of business on September 27, 2029 (the maturity date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15^{th} trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date on (and including) such record; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction；(iv) no request for conversion other than the starting date of the stop of the conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange.
(H)Conversion price and adjustment:	The conversion price was originally at NT$33.8 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

(I)Redemption clauses:	(i)The Company may redeem the convertible bonds from the next day (December 28, 2024) following a three-month period after the bonds are issued to 40 days before the maturity date (August 18, 2029) if the following terms are met: when the closing price of the Company's common shares is 30% above the convertible price for 30 consecutive trading days, the Company may, within the following 30 business days (the aforesaid period shall start from the day the letter is delivered by the Company, and the expiry date of the period shall be the measurement date for bond recovery, and the aforesaid period shall not fall in the period of conversion suspension stated in Article 9 of the Regulation), send a bond redemption notification letter via registered mail to the bondholders. (The bondholders list shall be based on the updated list five business days before sending the bond redemption notification letter to the bondholders. Public announcements will be made for bondholders who acquire the convertible bonds subsequently from transactions or other reasons). The redemption price would be set at the face value and the bond is purchased by cash, which would be announced over the Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within eight business days after the bond recovery measurement date.

(ii)The Company may redeem the convertible bonds from the next day (December 28, 2024) following a three-month period after the bonds are issued to 40 days before the maturity date (August 18, 2029) if the following terms are met: when the total value of outstanding convertible bonds becomes less than 10% of the total principal, the Company may, within the following 30 business days (the aforesaid period shall start from the day the letter is delivered by the Company, and the expiry date of the period shall be the measurement date for bond recovery, and the aforesaid period shall not fall in the period of conversion suspension stated in Article 9 of the Regulation), send a bond redemption notification letter via registered mail to the bondholders. (The bondholders list shall be based on the updated list five business days before sending the bond redemption notification letter to the bondholders. Public announcements will be made for bondholders who acquire the convertible bonds subsequently from transactions or other reasons). The redemption price would be set at the face value and the bond is purchased by cash, which would be announced over the Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within eight business days after the bond recovery measurement date.

(iii)Bondholders doesn’t respond to the Company’s agency with formal written documents prior to the redemption date in notification letter. The Company will redeem at the par value of convertible bonds and pay in cash.

(iv)If the Company exercises its early redemption clause for the convertible corporate bonds, the bondholders' deadline to request conversion shall be the second business day following the termination of the over-the-counter trading date.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(J)Put option of the bondholders:	The bondholders can execute put option after two years from issuance date (September 27, 2027). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the maturity date (August 18, 2027). (The list of bondholders who should receive the notification through registered mail is based on the register list 5 business days before mailing date. Investors who purchase the bonds after the mailing date are notified through announcement.) OTC (Over The Counter) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 40 days after the OTC's announcement. The redemption value is the bonds face value. After accepting the redemption request, the Company should redeem the bonds by cash within 5 business days after the maturity date.

D. The 7th secured convertible bonds in the amount of NT$2,400 thousand have been converted to 35 thousand common shares as of December 31, 2024. The surplus due to the conversion amounted to NT$1,938 thousand, recorded under additional paid-in capital.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(15)Long-term loans

Details of long-term loan as of December 31, 2024 and 2023 are as follows:

Debtor	As of December 31, 2024	Maturity and Terms
Secured Long-Term Joint guarantee Loan from Land Bank of Taiwan and others	$1,300,000	Effective January 16, 2023 to January16, 2028. Grace period is 2 years from the initial draw-down date. The initial draw-down date is considered the 1st term and the following terms are defined as every 3 months since then. The remaining principal is repaid in installments of equal amount for 13 terms. Interest shall be paid monthly. The 1st to 4th payments will repay 3% of the principal each, 5th to 8th payments will be 5% each, 9th to 12th payments will be 7% each and the remaining principal will be repaid up at maturity.
Credit Long-Term Loan from Land Bank of Taiwan	63,120	Effective September 8, 2023 to September 8, 2026. Interest is paid monthly and calculated based on the outstanding principal balance, with the principal paid off at maturity, or after the factory building is completed, transfer the loan to long-term factory building guarantee loan.
Secured Long-Term Loan from Land Bank of Taiwan	56,700	Effective July 9, 2020 to June 15, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	As of December 31, 2024	Maturity and Terms
Secured Long-Term Loan from Land Bank of Taiwan	60,675	Effective June 9, 2021 to June 15, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th day of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Taiwan Cooperative Bank	4,822	Effective October 19, 2020 to October 19, 2025. The principal will be paid monthly on the 15th of each month and interest shall be paid monthly.
Credit Long-Term Loan from Taiwan Cooperative Bank	26,400	Effective March 10, 2022 to March 10, 2027. The principal will be paid monthly on the 15th of each month and interest shall be paid monthly.
Credit Long-Term Loan from Taiwan Cooperative Bank	184,138	Effective May 20, 2022 to May 20, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Taiwan Cooperative Bank	208,575	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Bank of Taiwan	376,342	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	As of December 31, 2024	Maturity and Terms
Credit Long-Term Loan from Chang Hwa Bank	172,258	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Hua Nan Bank	60,442	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th day of each month.
Credit Long-Term Loan from Taiwan Business Bank	260,963	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Total	2,774,435	
Less: current portion	(320,440)	
Non-current portion	$2,453,995	

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	As of December 31, 2023	Maturity and Terms
Secured Long-Term Joint guarantee Loan from Land Bank of Taiwan and others	$1,300,000	Effective January 16, 2020 to January16, 2028. Grace period is 2 years from the initial draw-down date. The initial draw-down date is considered the 1st term and the following terms are defined as every 3 months since then. The remaining principal is repaid in installments of equal amount for 13 terms. Interest shall be paid monthly. The 1st to 4th payments will repay 3% of the principal each, 5th to 8th payments will be 5% each, 9th to 12th payments will be 7% each and the remaining principal will be repaid up at maturity.
Credit Long-Term Loan from Land Bank of Taiwan	5,120	Effective September 8, 2023 to September 8, 2026. Interest is paid monthly and calculated based on the outstanding principal balance, with the principal paid off at maturity.
Secured Long-Term Loan from Land Bank of Taiwan	79,187	Effective July 9, 2020 to June 15, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Secured Long-Term Loan from Land Bank of Taiwan	84,739	Effective June 9, 2021 to June 15, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th day of each month. Interest will be paid on the 15th of each month.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	As of December 31, 2023	Maturity and Terms
Credit Long-Term Loan from Taiwan Cooperative Bank	10,583	Effective October 19, 2020 to October 19, 2025. The principal will be paid monthly on the 15th of each month and interest shall be paid monthly.
Credit Long-Term Loan from Taiwan Cooperative Bank	38,492	Effective March 10, 2022 to March 10, 2027. The principal will be paid monthly on the 15th of each month and interest shall be paid monthly.
Credit Long-Term Loan from Taiwan Cooperative Bank	227,771	Effective May 20, 2022 to May 20, 2027. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Taiwan Cooperative Bank	12,326	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Bank of Taiwan	4,821	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Credit Long-Term Loan from Chang Hwa Bank	16,621	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first two years. Principal is prepaid form the third year monthly on the 15th of each month. Interest will be paid on the 15th of each month.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	As of December 31, 2023	Maturity and Terms
Credit Long-Term Loan from Hua Nan Bank	11,184	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th day of each month.
Credit Long-Term Loan from Taiwan Business Bank	8,117	Effective March 1, 2023 to February 15, 2030. Interest payments are due monthly for the first three years. Principal is prepaid form the fourth year monthly on the 15th of each month. Interest will be paid on the 15th of each month.
Total	1,798,961	
Less: current portion	(107,884)	
Non-current portion	$1,691,077	

(a) Please refer to Note 8 for more detail of assets pledged as collaterals.

(b) As of December 31, 2024 and 2023, the interest rate intervals for long-term loans were 1.33%~2.54% and 1.20%~2.35%, respectively.

(c) The Company received a low-interest government loan from the Ministry of Economic Affairs in the amounting NT$1,581,430 thousand with a term of 5~7 years and annual interest rates of 1.33%~1.63% payable monthly on the 15th of each month. The government grant of the low-interest government loan was recorded under other liabilities-deferred government grants income. The Company shall recognize the government grant income when it is reasonably assured that the Company meets all the terms of the government grant agreement.

(d) On December 26, 2022, the Company has entered into a 5-year agreement of syndicated loans in credit line of NT$3,360,000 thousand, with Land Bank of Taiwan and 9 other banks for the purpose of settling the unpaid loan balance mentioned above and replenishing operating capital.

In the event that the Company's financial statements do not meet with any of the criteria or restrictions specified, the Company shall improve it in five months starting from April 1 of the following year on the audited financial fiscal year. The improvement documentation proposed by the Company shall also be audited by certified public accountants. The Company will not be treated as a breach of the loan agreement during the period of improvement.

(16)Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 are NT$33,814 thousand and NT$36,023 thousand, respectively.

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$5,882 thousand to its defined benefit plan during the 12 months beginning after 31 December 2024.

As of December 31, 2024 and 2023, the maturities of the Company’s defined benefit plan were expected in 2033 and 2035.

Pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Current period service costs	$123	$126
Net interest of defined benefit	235	424
Total	$358	$550

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	Dec. 31, 2024	Dec. 31, 2023	Jan. 1, 2023
Defined benefit obligation	$62,446	$66,042	$73,454
Plan assets at fair value	(56,130)	(47,358)	(43,760)
Other non-current liabilities – net defined benefit liability on the consolidated balance sheets	$6,316	$18,684	$29,694

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2023	$73,454	$(43,760)	$29,694
Current period service costs	126	-	126
Net interest expense (revenue)	1,050	(626)	424
Subtotal	1,176	(626)	550
Remeasurement of net defined benefit liability/asset			
Actuarial gains and losses arising from changes in demographic assumptions	107	-	107
Actuarial gains and losses arising from changes in financial assumptions	(3,628)	-	(3,628)
Experience adjustments	(2,517)	-	(2,517)
Re-measurement on defined benefit assets	-	(74)	(74)
Subtotal	(6,038)	(74)	(6,112)
Payments from the plan	(2,550)	2,550	-
Contributions by employer	-	(5,448)	(5,448)
As of December 31, 2023	66,042	(47,358)	18,684
Current period service costs	123	-	123
Net interest of defined benefit	832	(597)	235
Subtotal	955	(597)	358
Remeasurement of net defined benefit liability(asset):			
Actuarial gains and losses arising from changes in financial assumptions	(2,285)	-	(2,285)
Experience adjustments	(559)	-	(559)
Re-measurement on defined benefit assets	-	(3,999)	(3,999)
Subtotal	(2,844)	(3,999)	(6,843)
Benefits paid	(1,707)	1,707	-
Contributions by employer	-	(5,883)	(5,883)
As of December 31, 2024	$62,446	$(56,130)	$6,316

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2024	2023
Discount rate	1.64%	1.26%
Expected rate of salary increases	2.00%	1.92%

Sensitivity analysis:

	Effect on the defined benefit obligation			
	2024		2023	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	$-	$1,748	$3,694	$-
Discount rate decrease by 0.5%	3,907	-	-	4,536
Future salary increase by 0.5%	3,872	-	4,482	-
Future salary decrease by 0.5%	-	1,750	-	3,690

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17)Equity

(a)Common stock

As of December 31, 2024 and 2023, the Company's authorized capital were both NT$7,000,000 thousand, each share at par of NT$10, divided into 700,000 thousand shares. The Company's paid-in capital were NT$5,732,436 thousand and NT$5,418,836 thousand respectively, divided into 573,244 thousand shares and 541,884 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The Company, upon resolution at the shareholders' meeting held on June 21, 2022, resolved to issue no more than 1,000 thousand new shares through the employee stock option. Effective December 9, 2022 the application has been approved by the FSC with Order No. Financial-Superrisory-Securities-Corporate-1110365780. The board of directors subsequently resolved to set May 12, 2022 and January 5, 2024 as the base dates for capital increase, with a par value of $10 per share, and issued 950 thousand shares and 50 thousand shares, respectively.

The Company, upon resolution at the shareholders' meeting held on June 19, 2023, resolved to issue no more than 1,500 thousand new shares through the employee stock option. Effective Octorber 2, 2023 the application has been approved by the FSC with Order No. Financial-Superrisory-Securities-Corporate-1120356740. The board of directors subsequently resolved to set January 5, 2024 and November 13, 2024 as the base dates for capital increase, with a par value of $10 per share, and issued 810 thousand shares and 640 thousand shares, respectively.

On July 11, 2024, the Company's board of directors meetings resolved to increase the capital through an issuance of new 50,000 thousand shares with the initial issuance of 30,000 thousand shares at a price of NT$26.5. The application has been governmentally approved by FSC in the Order No. Financial-Superrisory-Securities-Corporate-1130351075. The measurement date was at November 12, 2024.

On November 8, 2024, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT$1,400 thousand, and to set November 11, 2024 as the reference date of capital reduction.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b)Additional paid-in capital

	As of December 31,	
	2024	2023
Additional paid - in capital	$3,569,505	$3,065,181
All changes in interests in subsidiaries	3,074,962	965,314
Stock options – convertible rights	231,732	12,685
Restricted employee stock option	60,235	30,780
Others	31,239	31,239
Total	$6,967,673	$4,105,199

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c)Retained earnings and dividend policies

(1)Distribution of earnings

The Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

i Payment of all taxes and dues;
ii Offset prior years' operation losses;
iii Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
iv The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

(2)Dividend policy

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets, as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting for final approval. And by the Company's policy, the portion of cash dividend shall not be less than 10% of total shareholders' bonus.

(3)Legal reserve

According to the Company Act, the Company has to set aside an amount for legal reserve from current year's earnings until such legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital either by shares or by cash.

(4)Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

As of December 31, 2024 and 2023, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$175,749 thousand.

The appropriations of earnings for the years 2024 and 2023 were approved through the Board of Directors' meetings and shareholders' meetings held on March 14, 2025 and June 21, 2024, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2024	2023	2024	2023
Legal reserve	$1,097	$57,487		
Appropriation (reversal) of special reserve	(232,537)	142,828		
Common stock－cash dividend	-	352,783	$-	$0.65
Total	$(231,440)	$553,098		

Please refer to 6(22) for detail on employees' compensation and remuneration to directors and supervisors.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(18)Share-based payment transactions

Remuneration-based restricted employee stock option plan.

(1)The Company, upon resolution at the shareholders' meeting held on June 21, 2022, resolved to issue no more than 1,000 thousand new shares through the restricted employee share scheme at no cost, targeting employees who meet specific conditions. The registration became effective after filing with the Securities and Futures Bureau of the Financial Supervisory Commission. The board of directors resolved on May 5, 2023 and December 22, 2023 to issue 950 thousand shares and 50 thousand shares, respectively. The measurement dates were on May 12, 2023 and January 5, 2024, respectively. The actual number of new shares issued was 950 thousand shares and 50 thousand shares. The share price on the grant date were NT$42.4 per share and NT$43.05 per share, respectively.

The Company, upon resolution at the shareholders' meeting held on June 19, 2023, resolved to issue no more than 1,500 thousand new shares through the restricted employee share scheme at no cost, targeting employees who meet specific conditions. The registration became effective after filing with the Securities and Futures Bureau of the Financial Supervisory Commission. The board of directors resolved on December 22, 2023 and August 9, 2024 to issue 810 thousand shares and 640 thousand shares, respectively. The measurement dates were on January 5, 2024 and November 13, 2024, respectively. The actual number of new shares issued was 810 thousand shares and 640 thousand shares. The share price on the grant date were NT$43.05 per share and NT$31.95 per share, respectively.

The employees eligible for the aforementioned restricted employee stock option may receive shares under the following conditions from the date of subscription:

Vesting conditions	Issue vesting proportion
Issue vesting proportion	40%
Two years from the grant date	30%
Three years from the grant date	30%

The rights of employees are restricted as follows before meeting the vesting conditions after receiving the new shares:

A. Upon issuance, the restricted employee stock option plan shares shall be immediately entrusted kept in custody, and senior executives must not request the return of such shares from the trustee for any reason or by any means before the vesting conditions are met.

B. Prior to fulfilment of the vesting conditions, senior executives who receive the new shares are not allowed to sell, pledge, transfer, gift, create a right or dispose of the restricted employee stock option plan shares in any other way, except in the case of inheritance.

C. In addition to the aforementioned restrictions, the rights of senior executives for restricted employee stock option plan shares granted through this method, before their vesting conditions are met, including but not limited to rights to dividends, bonuses, and capital reserve distributions, and rights to subscribe in cash capital increases, shall be the same as that of the Company's issued common shares. The related operational methods shall be conducted in accordance with the custody/trust agreement.

D. Before the senior executives meet the vesting conditions, all shareholder rights, including attendance, proposals, speeches, voting rights at the company's shareholder meetings, and other related shareholder rights, are entrusted to be exercised by the trust/custody institution.

E. During the vesting period, if the Company carries out capital reductions such as cash capital reductions or capital reductions to offset losses other than statutory capital reductions, the restricted employee stock option plan shares shall be cancelled in accordance with the reduction ratio. If it is a cash capital reduction, the returned cash must be entrusted/kept in custody and may only be delivered to senior executives after the vesting conditions have been met; however, if the vesting conditions are not met, the Company will reclaim such cash.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

If employees voluntarily resign, retire, or are laid off, the restricted employee stock option plan shares that have not met the vesting conditions will be deemed as unvested starting from the effective date, and the shares will be recollected by the Company without compensation and cancelled.

On May 12, 2023, the Company issued 950 thousand restricted employee stock option through a capital increase, generating a capital surplus - employee stock options of NT$30,780 thousand. As of December 31, 2024, the unearned employee compensation balance was NT$7,385 thousand.

On January 5, 2024, the Company issued 860 thousand restricted employee stock option through a capital increase, generating a capital surplus - employee stock options of NT$28,423 thousand. As of December 31, 2024, the unearned employee compensation balance was NT$12,958 thousand.

On November 13, 2024, the Company issued 640 thousand restricted employee stock option through a capital increase, generating a capital surplus - employee stock options of NT$14,048 thousand. As of December 31, 2024, the unearned employee compensation balance was NT$18,232 thousand.

(2)The Company recognized the expenses for the share-based payment transactions as follows:

	For the year ended December 31,	
	2024	2023
Total expense arising from equity-settled share-based payment transactions	$41,812	$17,455

(3)The Company did not cancel or modify any share-based payment plans as of December 31, 2024 and 2023.

(4)The Company's paid issuance of new shares with restricted employee rights granted before October 10, 2024 is handled in accordance with the Q&A regarding to whether retroactively apply "Doubts on the Handling of New Shares with Restricted Employee Rights" issued by the Securities and Futures Bureau of the Financial Supervisory Commission.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Capital increase by cash

Certain employees of the Company are entitled to share-based payment as part of their remunerations; services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

(a) The Company's board of directors meetings resolved to increase cash capital and reserve a portion of it for subscription by internal employees on July 11, 2024. And the measurement date was November 12, 2024.

(1) Information on the Employee stock option plan for Cash Capital Increase is summarized as follow:

	For the year ended December 31, 2024	
	Option (in thousand)	Weighted average Exercise price per Share (NT$/share)
Outstanding at beginning of period	-	$-
Granted	30,000	26.5
Exercised	(30,000)	26.5
Outstanding at end of period	-	
Weighted-average fair value of options granted during the period (in NT$)	$5.04	

(2) The Company uses the Black-Scholes evaluation model to increase the stock rights of employees with cash capital, and the parameters used in the evaluation model are as follows:

	2024.09.19
Stock market price	$31.65
Exercise price	$26.5
Expected volatility (%)	40.67%
Expected life (Years)	0.09 years
Expected dividend yield (%)	0%
Risk-free interest rate (%)	1.2221%

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The stock market price on the grant date is evaluated by the income method and the market method.

The expected volatility is based on the Company's stock price over 33 trading days.

(b)The expense arising from equity-settled share-based payment transactions recognized in amount of NT$15,120 thousand.

(19)Operating revenue

	For the year ended December 31,	
Revenue from customer contracts	2024	2023
Sale of goods	$4,080,113	$4,540,046

Analysis of revenue from contracts with customers during the years ended December 31, 2024 and 2023 are as follows:

(a)Disaggregation of revenue

	For the year ended December 31,	
	2024, Semi-conductor business	2023, Semi-conductor business
Sale of goods	$4,080,113	$4,540,046
The timing for revenue recognition：		
At a point in time	$4,080,113	$4,540,046

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b)Contract balances

A. Contract liabilities

	As of		
	Dec.31, 2024	Dec.31,2023	Jan.1,2023
Sales of goods	$91,008	$133,724	$177,474
Current	$91,008	$67,748	$44
Non-current	-	65,976	177,430
Total	$91,008	$133,724	$177,474

The changes in the Company's balances of contract liabilities for the year ended December 31, 2024 are as follows:

	Sales of goods
The opening balance transferred to revenue	$(43,262)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	546

The changes in the Company's balances of contract liabilities for the year ended December 31, 2023 are as follows:

	Sales of goods
The opening balance transferred to revenue	$(44,085)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	335

(20)Expected credit losses (gains)

	For the year ended December 31,	
	2024	2023
Operating expenses – Expected credit losses (gains)		
Account receivables	$-	$-

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its accounts receivable at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2024 and 2023 are as follow:

A. The Company needs to consider the grouping of trade receivables by counter-parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follow:

2024.12.31

		Past due					
	Neither past due	<=90 days	91-120 days	121-180 days	181-365 days	>=365 days	Total
Gross carrying amount	$882,798	$39,604	$-	$-	$-	$48	$922,450
Loss ratio	0.1%	1%	5%	10%	50%	100%	
Lifetime expected credit losses	(549)	(396)	-	-	-	(48)	(993)
Carrying amount of trade receivables	$882,249	$39,208	$-	$-	$-	$-	$921,457

2023.12.31

		Past due					
	Neither past due	<=90 days	91-120 days	121-180 days	181-365 days	>=365 days	Total
Gross carrying amount	$806,180	$13,266	$-	$-	$48	$-	$819,494
Loss ratio	0.1%	1%	5%	10%	50%	100%	
Lifetime expected credit losses	(836)	(133)	-	-	(24)	-	(993)
Carrying amount of trade receivables	$805,344	$13,133	$-	$-	$24	$-	$818,501

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. The movement in the provision for impairment of notes receivable and accounts receivable for the years ended December 31, 2024 and 2023 are as follows:

	Account receivables
Beginning balance as of January 1, 2024	$993
Addition (reversal) for the current period	-
Write off for the current period	-
Ending balance as of December 31, 2024	$993
Beginning balance as of January 1, 2023	$993
Addition (reversal) for the current period	-
Write off for the current period	-
Ending balance as of December 31, 2023	$993

(21)Leases

(a)Company as a lessee

The Company leases various properties, including real estate such as land. The lease terms range from 3 to 20 years. The Company is not allowed to loan, sublease or sell without obtaining the consent from the lessors.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(i)Right-of-use assets

	Land	Machinery	Total
Cost:			
2024.01.01	$258,563	$10,112	$268,675
Other changes	23,649	-	23,649
2024.12.31	$282,212	$10,112	$292,324
2023.01.01	$259,544	$-	$259,544
Additions	-	10,112	10,112
Other changes	(981)	-	(981)
2023.12.31	$258,563	$10,112	$268,675
Depreciation and impairment:			
2024.01.01	$45,350	$590	$45,940
Depreciation	18,255	1,011	19,266
2024.12.31	$63,605	$1,601	$65,206
2023.01.01	$28,969	$-	$28,969
Depreciation	16,381	590	16,971
2023.12.31	$45,350	$590	$45,940
Net carrying amount:			
2024.12.31	$218,607	$8,511	$227,118
2023.12.31	$213,213	$9,522	$222,735

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(ii)Lease liabilities

	As of December 31,	
	2024	2023
Lease liabilities	$229,371	$225,510
Current	$20,261	$18,051
Non-current	209,110	207,459
Total	$229,371	$225,510

Please refer to Note 6(23)(d) for the interest on lease liabilities recognized during the year ended December 31, 2024 and 2023 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2024 and 2023.

B. Income and costs relating to leasing activities

	For the year ended December 31,	
	2024	2023
Short-term leased expense (rental expense)	$20,656	$18,952

The portfolio of short-term leases of the Company to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses disclosed above, and the amount of its lease commitments is NT$0.

C. Cash outflow relating to leasing activities

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 are NT$46,045 thousand and NT$40,643 thousand, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(22)Summary of employee benefits, depreciation and amortization by function is as follows:

	For the year ended December 31,					
	2024			2023		
	Cost of goods sold costs	Operating expense	Total	Cost of goods sold costs	Operating expenses	Total
Employee benefits						
Salaries & wages	$595,931	$184,173	$780,104	$662,480	$207,695	$870,175
Labor and health insurance	64,419	17,129	81,548	71,811	16,983	88,794
Pension	25,348	8,824	34,172	27,720	8,853	36,573
Directors’ remuneration	-	300	300	-	6,300	6,300
Other employee benefits	910	41	951	974	47	1,021
Depreciation	457,250	139,770	597,020	437,057	104,416	541,473
Amortization	287	4,177	4,464	198	4,972	5,170

Note:

1.The headcounts of the Company amounted to 1,089 and 1,163, respectively, as of December 31, 2024 and 2023. Among the Company’s directors, there were 8 who were not the employees.

2.Companies who have been listed on Taiwan Stock Exchange or Taiwan Over-The Counter Securities Exchange should disclose the following information:

(1) Average employee benefits of 2024 and 2023 are NT$830 thousand and NT$863 thousand respectively.
(2) Average salaries of 2024 and 2023 are NT$722 thousand and NT$753 thousand respectively.
(3) Changes in average salaries are (4)%.
(4) In accordance with the regulations, the Company has established an audit committee to replace the supervisor, so the supervisor’s remuneration has not been recognized.

(5) The salary and remuneration policy of the Company:

According to Articles 29 of the Company's Articles of Incorporation, not lower than 5% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. In addition to the basic salaries, employees' annual salaries are also adjusted based on the Company's performance to motivate and retain outstanding employees. In addition, according to Articles 25 of the Company's Articles of Incorporation, the Company pays remuneration to directors for performing duties whether the Company makes profit or not. The Company authorizes the Board of Directors to determine the remunerations which are allocated according to directors performance, level of contribution referencing the industry standards. In accordance with the regulations, the compensation committee will make recommendations on directors' remuneration and the salaries of managers, then submit the proposal to the Board of Directors for approval.

According to the resolution, no higher than 2% of profit of the current year is distributable as remuneration to directors and supervisors and no lower than 5% of profit of the current year is distributable as employees' compensation. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Based on profit of the year ended December 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 to be 6.02% of profit of the current year and 1.81% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 amounted to NT$1,000 thousand and NT$300 thousand, respectively. The Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 to be 5.58% of profit of the current year and 0.78% of profit of the current year, respectively, recognized as employee benefits expense. Employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 amount to NT$45,000 thousand and NT$6,300 thousand, respectively.

The Company's Board has determined the employees' compensation and directors' remuneration, all in cash, to be NT$1,000 thousand and NT$300 thousand, respectively, in a meeting held on March 14, 2025. No differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2024.

Actual distribution of employees' compensation and remuneration to directors of 2023 amount to NT$45,000 thousand and NT$6,300 thousand, respectively. No differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2023.

(23)Non-operating income and expenses

(a)Interest income

	For the year ended December 31,	
	2024	2023
Financial assets measured at amortized cost		
Interest income	$30,476	$31,459

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b)Other income

	For the year ended December 31,	
	2024	2023
Other income – others	$13,017	$19,585

(c)Other gains and losses

	For the year ended December 31,	
	2024	2023
Foreign exchange gains (losses), net	$41,533	$(3,867)
Financial assets/liabilities at fair value through profit or loss	(13,829)	4,046
Losses due to major disasters	(12,431)	-
Others	(3,054)	(834)
Gains (losses) on disposal of property, plant and equipment	428	(1,458)
Reversal of impairment losses on property, plant and equipment	-	1,603
Total	$12,647	$(510)

(d)Finance costs

	For the year ended December 31,	
	2024	2023
Interest on borrowings from bank	$59,020	$46,637
Interests on lease liabilities	5,601	5,399
Interests on bonds payable	12,225	4,185
Total	$76,846	$56,221

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(24)Components of other comprehensive income

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Other comprehensive income, pre-tax	Tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	$6,843	$-	$6,843	$-	$6,843
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	(31,679)	-	(31,679)	-	(31,679)
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	335,937	-	335,937	-	335,937
Total of other comprehensive income	$311,101	$-	$311,101	$-	$311,101

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Other comprehensive income, pre-tax	Tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	$6,112	$-	$6,112	$-	$6,112
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	(47,922)	-	(47,922)	-	(47,922)
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	(94,906)	-	(94,906)	-	(94,906)
Total of other comprehensive income	$(136,716)	$-	$(136,716)	$-	$(136,716)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(25)Income tax

(a)The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the year ended December 31,	
	2024	2023
Current income tax expense (income):		
Current income tax charge	$38,604	$115,737
Adjustments in respect of current income tax of prior periods	(5,381)	(25,000)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(21,954)	95,649
Total income tax expense	$11,269	$186,386

(b)A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2024	2023
Accounting income before tax from continuing operations	$15,302	$755,141
Tax payable at the enacted tax rates	$3,060	$151,028
Surtax on undistributed earnings	1,088	33,576
Tax effect of revenues exempt from taxation	15,485	17,324
Tax effect of expenses not deductible for tax purposes	5,211	837
Tax effect of deferred tax assets/liabilities	(8,194)	8,621
Adjustments in respect of current income tax of prior periods	(5,381)	(25,000)
Total income tax expense recognized in profit or loss	$11,269	$186,386

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c)Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as of Jan. 1, 2024	Deferred tax income (expense) recognized in P/L	Ending balance as of Dec. 31, 2024
Temporary differences			
Unrealized loss on inventory valuation	$18,062	$6,422	$24,484
Unrealized exchange loss (gain)	6,422	(9,161)	(2,739)
Pension expense	1,967	-	1,967
Unrealized intragroup profits and losses	8,400	-	8,400
Unpaid liability transferred to revenue	275	-	275
Accumulated compensated absences expense	2,747	-	2,747
Investment income	(95,649)	24,693	(70,956)
Deferred tax income/ (expense)		$21,954	
Net deferred tax assets/(liabilities)	$(57,776)		$(35,822)
Reflected in balance sheet as follows:			
Deferred tax assets	$37,873		$37,873
Deferred tax liabilities	$95,649		$73,695

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For the year ended December 31, 2023

	Beginning balance as of Jan. 1, 2023	Deferred tax income (expense) recognized in P/L	Ending balance as of Dec. 31, 2023
Temporary differences			
Unrealized loss on inventory valuation	$23,003	$(4,941)	$18,062
Unrealized exchange loss (gain)	1,481	4,941	6,422
Pension expense	1,967	-	1,967
Unrealized intragroup profits and losses	8,400	-	8,400
Unpaid liability transferred to revenue	275	-	275
Accumulated compensated absences expense	2,747	-	2,747
Investment income	-	(95,649)	(95,649)
Deferred tax income/ (expense)		$(95,649)	
Net deferred tax assets/(liabilities)	$37,873		$(57,776)
Reflected in balance sheet as follows:			
Deferred tax assets	$37,873		$37,873
Deferred tax liabilities	$-		$95,649

(d)Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized as they may not be used to offset future taxable profits amount to NT$56,333 thousand and NT$58,319 thousand, respectively.

(e)Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize deferred tax liability for taxes that would be payable on the unappropriated earnings of the Company's overseas subsidiaries before the year 2022, as the Company has determined that unappropriated earnings of its subsidiaries will not be distributed in the foreseeable future. As at December 31, 2024 and 2023, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, both aggregate to NT$516,484 thousand.

(f)The assessment of income tax returns

As at December 31, 2024, the status of tax authority's assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2022

(26)Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the year ended December 31, 2024	For the year ended December 31, 2023
(a) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$4,033	$568,755
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	549,430	540,934
Basic earnings per share (in NT$)	$0.01	$1.05
(b) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$4,033	$568,755
Gain or loss on valuation of redemption	Note	95
Interest expense from convertible bonds	Note	3,348
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$4,033	$572,198
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	549,430	540,934
Effect of dilution:		
Employee compensation－stock (in thousand shares)	266	1,707
Restricted employee stock option	192	112
Convertible bonds (in thousands shares)	Note	4,746
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	549,888	547,499
Diluted earnings per share (in NT$)	$0.01	$1.05

Note:It is not applicable due to anti-dilutive effect.

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

7. Related party transactions

(1)Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relationship
Wafer Works Investment Corp.	Subsidiary
Heli-Vantech Corp.	Subsidiary
Huaxin (Shanghai) Technology Co. Ltd.	Subsidiary
Silicon Technology Investment (Cayman) Corp.	Subsidiary
Wafer Works (Shanghai) Co., Ltd.	Subsidiary
Wafer Works Epitaxial Corp.	Subsidiary
Wafer Works (Yangzhou) Corp.	Subsidiary
Wafer Works (Zhengzhou) Corp.	Subsidiary
Sharp Right Limited	Subsidiary
Wafermaster Investment Corp.	Subsidiary
Helitek Company Ltd.	Subsidiary

(2)Significant transactions with related parties

A.Operating revenue

	For the year ended December 31,	
	2024	2023
Helitek Company Ltd.	$809,693	$1,218,820
Wafer Works Epitaxial Corp.	133,356	282,672
Huaxin (Shanghai) Technology Co. Ltd.	47,913	23,663
Wafer Works (Zhengzhou) Corp.	85,124	86,876
Wafer Works (Shanghai) Co., Ltd.	13,074	-
Wafer Works (Yangzhou) Corp.	4,943	-
Total	$1,094,103	$1,612,031

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The sales price to related parties was determined through mutual agreement based on market condition. The collection terms for related parties were 60 days from delivery by telegraphic transfer, similar to those for third parties.

The Company purchased raw materials on behalf of its subsidiaries in the amount of NT$20,692 thousand and NT$3,031 thousand for the years ended December 31, 2024 and 2023, respectively.

B.Purchases

	For the year ended December 31,	
	2024	2023
Huaxin (Shanghai) Technology Co. Ltd.	$3,694	$6,974
Wafer Works (Zhengzhou) Corp.	31,765	-
Wafer Works (Shanghai) Co., Ltd.	1,007	-
Wafer Works (Yangzhou) Corp.	130,419	100,993
Helitek Company Ltd.	16,973	9,285
Total	$183,858	$117,252

The purchase price to related parties was determined through mutual agreement based on market condition. The payment terms to related parties were 30~60 days from delivery by telegraphic transfer, similar to those for third parties.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

C.Accounts receivable

	As of December 31,	
	2024	2023
Wafer Works Epitaxial Corp.	$23,674	$35,932
Helitek Company Ltd.	114,750	152,914
Sharp Right Limited	46,405	43,461
Wafer Works (Shanghai) Co., Ltd.	5,315	(55)
Wafer Works (Zhengzhou) Corp.	47,690	-
Wafer Works (Yangzhou) Corp.	7	-
Huaxin (Shanghai) Technology Co. Ltd.	126,733	94,853
Total	364,574	327,105
Less: loss allowance	-	-
Net	$364,574	$327,105

D.Other receivables

	As of December 31,	
	2024	2023
Sharp Right Limited	$51,951	$49,295
Wafer Works (Shanghai) Co., Ltd.	-	725
Wafer Works (Zhengzhou) Corp.	125	-
Wafer Works (Yangzhou) Corp.	11	-
Helitek Company Ltd.	41	80
Total	$52,128	$50,100

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

E.Accounts payable

	As of December 31,	
	2024	2023
Wafer Works (Shanghai) Co., Ltd.	$858	$-
Wafer Works (Zhengzhou) Corp.	6,958	-
Wafer Works (Yangzhou) Corp.	11,708	11,678
Helitek Company Ltd.	2,635	14
Total	$22,159	$11,692

F.Other payable

	As of December 31,	
	2024	2023
Helitek Company Ltd.	$298	$234

G.Purchase of property, plant and equipment

Asset	Related parties	Purchase price	Reference basis for price decision
2024			
None			
2023			
Machinery	Subsidiaries	$486	Negotiation

H.Key management personnel compensation

	For the year ended December 31,	
	2024	2023
Short-term employee benefit	$36,262	$44,899
Post-employment benefit	784	749
Total	$37,046	$45,648

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

8. Assets pledged as collateral

	Carrying amount As of Dec. 31,		
Assets pledged for security	2024	2023	Secured liabilities
Financial assets measured at amortized cost-current	$8,362	$7,565	Long-term loans
Financial assets measured at amortized cost-current	6,500	13,000	Customs duty guarantee
Financial assets measured at amortized cost-noncurrent	21,967	21,967	Land leased
Property, plant and equipment – land	259,131	259,131	Long-term loans
Property, plant and equipment – buildings	964,357	989,839	Long-term loans
Property, plant and equipment-Machinery and equipment	69,215	80,438	Long-term loans
Total	$1,329,532	$1,371,940	

9. Significant contingencies and unrecognized contract commitments

(a)As of December 31, 2024, outstanding contracts related to the purchased property, plant and equipment were as follows:

Type of Asset	Total Amount	Amount paid to date	Amount outstanding
Equipment	$1,954,165	$1,248,407	$705,758
Construction	3,390,319	1,508,523	1,881,796
Total	$5,344,484	$2,756,930	$2,587,554

The above amount paid are classified under prepayment for equipment, construction in progress and equipment awaiting examination.

(b)The Company signed a 3-year purchase contracts with Supplier A for the period from August 16, 2021 through August 16, 2024 for stabilizing the material sources and to enhance the relationship with the supplier. On April 5, 2024, the contract was extended to March 31, 2026. And in 2014, a second contract was signed for a period of four years, from April 5, 2024 to May 31, 2028. Under the agreements, installment prepayments which are to be offset by the Company’s future purchase orders were agreed and paid by the Company.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c)The Company signed a 3-year purchase contracts with Supplier B for the period from August 15, 2022 through December 31, 2025 for stabilizing the material sources and to enhance the relationship with the supplier. Under the agreements, installment prepayments which are to be offset by the Company's future purchase orders were agreed and paid by the Company.

(d)To develop long-term business and establishing long-term strategic alliances relation with downstream suppliers. The Company is entitled to receive in advance specific payments in an installment basis while customers shall put their purchase orders in compliance with the regulation within the agreement by using its prepayment. As of December 31, 2024, the Company's contracts are as follows:

Customer	Contract Period	Balances of Contract Liabilities
Customer A	2022.01.01~2024.12.31	$85,220
Customer B	2021.10.01~2024.12.31	5,024
Total		$90,244

(e)As of December 31, 2024, the Company issued a tariff guarantee of NT$32,000 thousand to the bank for the purpose of importing goods.

10. Losses due to major disasters

An earthquake occurred on April 3, 2024. The losses of the damaged plant and equipment was NT$39,431 thousand. In the third quarter of 2024, the compensation of damage to buildings and equipment amounted to NT$27,000 thousand, and the net loss from the abovementioned fire damage was NT$12,431 thousand, which was booked under other profits and losses - loss from major disasters.

11. Significant subsequent events

None

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

12. Others

(1)Categories of financial instruments

Financial assets

	As of December 31,	
	2024	2023
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$-	$4,165
Financial asset measured at fair value through other comprehensive income	108,600	45,500
Financial assets measured at amortized cost		
Cash and cash equivalents	3,351,104	1,879,090
Certificate of deposit – restricted	36,829	42,532
Accounts receivables	556,883	491,396
Accounts receivables – related party	364,574	327,105
Other receivables	49,288	19,697
Other receivables – related party	52,128	50,100
Total	$4,519,406	$2,859,585

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Financial liabilities

	As of December 31,	
	2024	2023
Financial liabilities at fair value through profit or loss		
Designated measured at fair value through profit or loss	$20,464	$-
Financial liabilities measured at amortized cost:		
Short-term borrowings	$720,000	440,000
Payable	792,727	809,034
Long-term borrowings (current portion including)	2,774,435	1,798,961
Bonds payable	1,644,969	292,695
Lease liabilities (current portion including)	229,371	225,510
Total	$6,181,966	$3,566,200

(2)Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures, and manages the aforementioned risks based on its policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk.

(3)Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rare that a single risk variable will change independently from other risk variable, i.e. there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Therefore, hedge accounting is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period-end. The Company's foreign currency risk is mainly related to volatility in the exchange rates of US dollars. The information of the sensitivity analyses is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by NT$7,114 thousand and NT$9,641 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the Company's investments with variable interest rates and bank borrowings with fixed interest rates and variable interest rates, which are all categorized as bank borrowings and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decreased/increased by NT$3,494 thousand and NT$2,239 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed equity securities, including fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

(4)Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2024 and 2023, receivables from the top ten customers were accounted for 50.19% and 56.64% of the Company's total accounts receivable, respectively. The concentration of credit risk is relatively not significant for the remaining receivables.

Credit risk from balances with banks, fixed-income securities and other financial instruments is managed by the Company's finance division in accordance with the Company's policy. The counterparties that the Company transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Company maintains financial flexibility through the use of cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over than 5 years	Total
As of Dec. 31, 2024							
Borrowings	$1,095,764	$727,945	$717,819	$804,460	$267,216	$44,147	$3,657,351
Payables	792,727	-	-	-	-	-	792,727
Bonds Payable	-	297,600	-	-	1,500,000	-	1,797,600
Lease Liabilities	25,389	22,622	21,699	21,699	21,699	157,518	270,626
As of Dec. 31, 2023							
Borrowings	$584,650	$332,790	$440,491	$455,065	$544,795	$14,813	$2,372,604
Payables	809,034	-	-	-	-	-	809,034
Bonds Payable	-	-	297,600	-	-	-	297,600
Lease Liabilities	23,117	23,117	20,350	19,426	19,426	162,537	267,973

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(6)Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Bonds Payable	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	$440,000	$292,695	$1,798,961	$48,108	$225,510	$2,805,274
Cash flows	280,000	1,554,776	986,715	(36,708)	(25,389)	2,759,394
Non-cash changes						
Lease range change	-	-	-	-	23,649	23,649
Interest on lease liabilities	-	-	-	-	5,601	5,601
Interest expense	-	12,225	-	-	-	12,225
Others	-	(214,727)	(11,241)	-	-	(225,968)
As of December 31, 2024	$720,000	$1,644,969	$2,774,435	$11,400	$229,371	$5,380,175

Movement schedule of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Bonds Payable	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	$513,372	$288,510	$1,536,706	$66,765	$232,671	$2,638,024
Cash flows	(73,372)	-	263,985	(18,657)	(21,691)	150,265
Non-cash changes						
Lease range change	-	-	-	-	9,131	9,131
Interest on lease liabilities	-	-	-	-	5,399	5,399
Interest expense	-	4,185	-	-	-	4,185
Others	-	-	(1,730)	-	-	(1,730)
As of December 31, 2023	$440,000	$292,695	$1,798,961	$48,108	$225,510	$2,805,274

(7)Fair values of financial instruments

(a)The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

i. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value.

ii. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

iii. The fair value of derivative financial instrument is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

iv. The fair value of other financial assets and liabilities is determined using discounted cash flow analysis. The interest rate and discount rate are selected with reference to those of similar financial instruments.

(b)Fair value of financial instruments measured at amortized cost

Other than the item is listed in the table below, the carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Carrying amount	
	Dec. 31, 2024	Dec. 31, 2023
Financial liabilities		
Bonds payable	$1,644,969	$292,695

	Fair value	
	Dec. 31, 2024	Dec. 31, 2023
Financial liabilities		
Bonds payable	$1,638,084	$288,464

(c)Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8)Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of December 31, 2024 and 2023 is as follows:

Forward Foreign Exchange Contract

Forward foreign exchange contracts manage exposures of certain transactions but have not been designated as hedging instrument.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

As of December 31, 2024 and 2023, the held forward foreign exchange contracts are as follows (foreign currency unit: thousand dollars):

Item	Total Amount	Term
As of December 31,2024		
Forward foreign exchange contract	Sell USD 7,180	2024.11.14~2025.02.08
As of December 31,2023		
Forward foreign exchange contract	Sell USD 7,220	2023.11.21~2024.02.29

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6 for further information on this transaction.

(9)Fair value measurement hierarchy

(a)Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b)Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through other comprehensive income				
Equity instruments investments measured at fair value through other comprehensive income	$-	$-	$108,600	$108,600
Financial liabilities at fair value:				
Embedded derivatives	$-	$-	$18,000	$18,000
Forward exchange agreement	$-	$2,464	$-	$2,464

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Forward exchange agreement	$-	$4,165	$-	$4,165
Financial assets at fair value through other comprehensive income				
Equity instruments investments measured at fair value through other comprehensive income	$-	$-	$45,500	$45,500

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Shares
As of January 1, 2024	$45,500
Acquired	63,100
As of December 31, 2024	$108,600

	Liabilities
	At fair value through profit or loss
	Derivative financial instruments
As of January 1, 2023	$-
Total gains recognized	
Amount recognized in profit or loss	
(presented in “other gains and losses“)	7,200
Acquired	10,800
As of December 31, 2023	$18,000

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Assets	
	At fair value through other comprehensive income	At fair value through profit or loss
	Shares	Derivative financial instruments
As of January 1, 2023	$-	$119
Acquisition/issues for the period	-	-
Total gains recognized		
Amount recognized in profit or loss (presented in “other gains and losses“)	-	(119)
Acquired	45,500	-
As of December 31, 2023	$45,500	$-

Total gains and losses recognized in profit or loss in the table above contain gains and losses related to assets or liabilities on hand as of December 31, 2024 and 2023 in the amount of NT$0 and NT$(119) thousand, respectively.

Total gains and losses recognized in profit or loss in the table above contain gains and losses related to assets or liabilities on hand as of December 31, 2024 and 2023 in the amount of NT$(7,200) thousand and NT$0, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial asset measured at fair value through other comprehensive income					
Shares	Market Approach	Liquidity discount	25%	The higher the Liquidity discount, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the equity of the company will decrease/increase by NT$10,860 thousand
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility	28.11%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in the Company’s profit or loss increase NT$70 thousand/ decrease NT$120 thousand

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial asset measured at fair value through other comprehensive income					
Shares	Market Approach	Liquidity discount	25%	The higher the Liquidity discount, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the equity of the company will decrease/increase by NT$4,550 thousand
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility	23.14%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in increase (decrease) in the Company’s profit or loss by NT$0 thousand

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Company's financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure the valuation is reasonable.

(c)Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note 6(14))	$-	$-	$1,638,084	$1,638,084

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note 6(14))	$-	$-	$288,464	$288,464

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(10)Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$24,592	32.79	$806,247
Non Monetary items:			
USD	$245,976	32.79	$8,064,332
Financial liabilities			
Monetary items:			
USD	$2,893	32.79	$94,856

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$33,711	30.705	$1,035,104
Non Monetary items:			
USD	$189,657	30.705	$5,823,406
Financial liabilities			
Monetary items:			
USD	$2,312	30.705	$70,980

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Company's functional currency is variety. It is impossible to disclose the foreign exchange gains or losses on monetary financial assets and financial liabilities with significant influence by each functional currency. The Foreign exchange gains or losses of the Company amounted to NT$41,533 thousand and NT$(3,867)thousand respectively for the years ended December 31, 2024 and 2023.

(11)Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information on significant transactions:

a. Financing provided to others for the year ended December 31, 2024: None.

b. Endorsement/Guarantee provided to others for the year ended December 31, 2024: None.

c. Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): Please refer to Attachment 5.

d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: None.

e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: None.

f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: None.

g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock for the year ended December 31, 2024: Please refer to Attachment 2.

h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2024: Please refer to Attachment 3.

i. Financial instruments and derivative transactions: Please refer to Note 12(8).

(2) Information on investees:

A. Names, locations, and related information of investees over (excluding information on investment in Mainland China): Please refer to Attachment 4.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others for the year ended December 31, 2024: None.

(b) Endorsement/Guarantee provided to others for the year ended December 31, 2024: Please refer to Attachment 1.

(c) Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): Please refer to Attachment 5.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: Please refer to Attachment 6.

(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock for the year ended December 31, 2024: None.

(g)Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock for the year ended December 31, 2024: Please refer to Attachment 7.

(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2024: Please refer to Attachment 8.

(i) Financial instruments and derivative transactions: None.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(3) Information on investments in Mainland China:

A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), book value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Amount in thousand; Currency denomination in NTD unless otherwise specified

Investee company	Main Business and Product	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Wafer Works (Shanghai) Co., Ltd. (Note10)	R&D, production and sales of semiconductor materials	$3,035,036 (Note1&3)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location	$510,951	$-	$-	$510,951	$520,724	42.87%	$223,315 (Note3&4)	$7,783,768 (Note3&4)	$492,626	$510,951	$2,008,983	No maximum (Note5)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investee company	Main Business and Product	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Wafer Works Epitaxial Corp.	R&D, production and sales of semiconductor materials	$3,138,070 (Note3,6)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location	$516,782	$-	$-	$516,782	$578,949	42.87%	$578,949 (Note3,4)	$1,994,990 (Note3,4)	$-	$516,782	$600,856	
Wafer Works (Yangzhou) Corp.	R&D, production and sales of semiconductor materials	$497,130 (Note3,7)	(Note 2)	$-	$-	$-	$-	$(46,546)	42.87%	$(46,546) (Note3,4)	$177,111 (Note3,4)	$-	$-	$-	

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investee company	Main Business and Product	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Wafer Works (Zhengzhou) Corp.	R&D, production and sales of semiconductor materials	$6,171,905 (Note3,8)	(Note8)	$-	$-	$-	$-	$81,941	42.87%	$81,941 (Note3,4)	$2,760,219 (Note3,4)	$-	$-	$-	
Huaxin (Shanghai) Technology Co. Ltd	Selling business	$30,211 (Note10)	(Note11)	$30,211	$-	$-	$30,211	$(4,448)	100.00%	$(4,448) (Note3,4)	$(78,787) (Note3,4)	$-	$30,211	$30,211	

Note 1: 48.0307% shares of Wafer Works (Shanghai) Co., Ltd. owned by Silicon Technology Investment (Cayman) Corp. But 89.2615% shares of Silicon Technology Investment (Cayman) Corp. owned by Wafer Works Investment Corp. Therefore, Wafer Works (Shanghai) Co., Ltd. indirectly invested by Wafer Works Corp.

Note 2: Wafer Works (Shanghai) Co., Ltd. invested directly to Wafer Works (Yangzhou) Corp.

Note 3: Foreign currencies were converted into New Taiwan dollars based on exchanged rate on December 31, 2024.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: The Company qualified and approved by Taiwan, R.O.C. government to be operation headquarter in Taiwan, thus there are no limitation of investee in mainland China.

Note 6: It was a wholly-owned subsidiary by the Company’s indirect subsidiary, Silicon Technology Investment (Cayman) Corp. The Company’s board in a meeting held on November 10, 2016 has resolved that Silicon Technology Investment (Cayman) Corp. participates in a cash addition conducted by Wafer Works (Shanghai) Co., Ltd. by using all ownership interest on Wafer Works Epitaxial Corp. As a result of the capital addition, Wafer Works (Shanghai) Co., Ltd. owns 100% interest of Wafer Works Epitaxial Corp.

Note 7: The Company’s board in a meeting held on November 10, 2016 resolved that Wafer Works (Shanghai) Co., Ltd. participates in a cash addition conducted by Wafer Works (Yangzhou) Corp. for 30% ownership interest.

Note 8: The Company’s board has resolved on February 16, 2017 Wafer Works (Zhengzhou) Corp. to be established through Wafer Works (Shanghai) Co., Ltd.’s investment.

Note 9: Wafer Works (Shanghai) Co., Ltd. applied for a shareholding restructuring to become a company limited by shares in September 2019. The registration procedures were completed on December 17, 2019.

Note 10: The paid-in capital is USD1,000 thousand, equivalent to NT$30,211 thousand.

Note 11: An investee company in which the Company holds a 100% equity interest through reinvestment using the Company's own funds.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. Significant transactions with the investees in mainland China:

(a)Purchase and accounts payable with the related parties:

	Purchase		Accounts payable	
	Amount	%	Amount	%
Wafer Works (Shanghai) Co., Ltd	$1,007	0.06%	$858	0.32%
Huaxin (Shanghai) Technology Co., Ltd.	3,694	0.23	-	-
Wafer Works (Zhengzhou) Corp.	31,765	1.99	6,958	2.56
Wafer Works (Yangzhou) Corp.	130,419	8.18	11,708	4.32
Total	$166,885	10.46%	$19,524	7.20%

Purchasing prices of the Company to related parties have the same product prices as purchase to non-related parties. Payment terms are also similar to the ones for non-related parties, which is 30 to 60 days from delivery by telegraphic transfer.

(b)Sales and receivables with the related parties:

	Operating revenue		Accounts receivable	
	Amount	%	Amount	%
Wafer Works Epitaxial Corp.	$133,356	3.27%	$23,674	2.57%
Wafer Works (Shanghai) Co., Ltd.	13,074	0.32	5,315	0.58
Huaxin (Shanghai) Technology Co., Ltd.	47,913	1.17	126,733	13.74
Wafer Works (Zhengzhou) Corp.	85,124	2.09	47,690	5.17
Wafer Works (Yangzhou) Corp.	4,943	0.12	7	-
Total	$284,410	6.97%	$203,419	22.06%

Sales of the Company to related parties have the same product prices as sales to non-related parties. Collection terms are also similar to the ones for non-related parties, which is 60 days from delivery by telegraphic transfer.

(c)Property transaction amounts and resulting gain or loss: None.

(d)The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: None.

(e)The amount of maximum financing, the balance interest rates, and lump sum interest expense: None.

(f)The other events' impact over current profit or loss or the significant influence of transaction events over the financial conditions:

a.For the year ended December 31, 2024, the Company purchased raw materials on behalf of Wafer Works (Zhengzhou) Corp. in the amount of NT$125 thousand, which were recorded under other receivables.

b.For the year ended December 31, 2024, the Company purchased raw materials on behalf of Wafer Works (Yangzhou) Corp. in the amount of NT$11 thousand, which were recorded under other receivables.

(4) Information on major shareholders:

None.

14. Segment information

The Company has provided the operating segments disclosure in the consolidated financial statements.

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

No. (Note1)	Endorser/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note3)	Maximum balance for the period (Note4)	Ending balance (Note5 and 8)	Actual amount provided (Note6)	Amount of collateral guarantee/endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note3)	Guarantee Provided by Parent Company (Note7)	Guarantee Provided by A Subsidiary (Note7)	Guarantee Provided to Subsidiaries in Mainland China (Note7)
		Company name	Relationship (Note2)										
1	Wafer Works (Shanghai) Co., Ltd.	Wafer Works (ZhengZhou) Corp.	Affiliated Company	$8,060,400	$8,427,596	$8,427,596	$367,196	$-	55.74%	$8,060,400	N	N	Y

Note1: Wafer Works Corp. and its subsidiaries are coded as follows:

1.Wafer Works Corp. is coded "0".

2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the above table.

Note2: The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1.The company with business contacts.

2.The company directly and indirectly holds more than 50% of the shares with voting rights.

3.Companies that directly and indirectly holds more than 50% of the shares of the company with voting rights.

4.The company directly and indirectly holds more than 90% of the shares with voting rights.

5.Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.

6.A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.

7.The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note3: According to Wafer Works (shanghai) Co., Ltd.'s procedures of Endorsement and Guarantee, the limitation and total amount of endorsement or guarantee of the company and its subsidiaries for each guarantee party shall not exceed RMB 1,800,000,000.

Note4: Maximum amount of endorsements or guarantees for others in the current year.

Note5: At the end of the year, the Company assumes the responsibility of endorsement or guarantee as soon as the amount of endorsement or guarantee agreements or bills signed with banks is approved; moreover, any other related endorsements or guarantees should be included in the balance of endorsements or guarantees.

Note6: The actual amount drawn within the endorsement/guarantee balance by the Company being endorsed or guaranteed should be entered.

Note7: A "Y" should be filled in for endorsements or guarantees provided by a listed parent company for its subsidiary, by a subsidiary for its listed parent company, or originating from mainland China.

Note8: The endorsement guarantee balance included NT$ 8,060,400 thousand for the year ended December 31, 2024 because the board of directors approved the endorsement and guarantee for the new contract before the expiration of the old contract, and the new contract had not yet been signed. Therefore, the balance was double counted, causing the endorsement guarantee balance to exceed the limit.

ATTACHMENT 2 (Related party transactions for purchases and sales amounts exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

			Transactions				Details of non-arm's length transaction		Notes and accounts receivables(payable)		
Company	Related party	Relationship	Purchases(Sales)	Amount	Percentage of total purchases (sales)(%)	Term	Unit Price	Term	Balance	Percentage of total notes and accounts receivables(payable)	Note
Wafer Works Corp.	Helitek Company Ltd.	Affiliated Company	Sales	$809,693	19.84%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	Similar to general customers.	Similar to general customers.	$114,750	12.44%	
Wafer Works Corp.	Wafer Works Epitaxial Corp.	Affiliated Company	Sales	$133,356	3.27%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	Similar to general customers.	Similar to general customers.	$23,674	2.57%	
Wafer Works Corp.	Wafer Works (Yangzhou) Corp.	Affiliated Company	Purchases	$(130,419)	8.18%	Paid at 60 days after shipment arrival by using telegraphic transfer (T/T)	Incomparable due to different product specification.	No comparable non-related party.	$(11,708)	(5.39)%	

ATTACHMENT 3 (Receivables from related parties with amounts exceeding the lower of 100 million dollars or 20 percent of capital stock as of December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

Company	Related party	Relationship with the Company	Ending Balance	Turnover rate (times)	Overdue receivables		Amounts received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Wafer Works Corp.	HuaXin (Shanghai) Technology Co., Ltd.	Affiliated Company	Accounts receivable $126,733	0.43	$-	-	$4,409	$-
Wafer Works Corp.	Helitek Company Ltd.	Affiliated Company	Accounts receivable $114,750	6.05	$-	-	$80,193	$-

ATTACHMENT 4 (If an investor has the ability to exercise significant influence on investee or has material controlling power on investee (Not including investment in Mainland China))

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

Wafer Works Corp.

				Initial Investment		Investments as of December 31, 2024					
Investor Company	Investee Company	Address	Main businesses and products	Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book Value	Net income (loss) of investee company	Investment income (loss) recognized	Note
Wafer Works Corp.	Wafer Works Investment Corp.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	Investment Holding Company	USD 66,566	USD 66,566	66,566,226	100.00%	$8,009,004	$199,266	$197,540	
Wafer Works Corp.	Heli-Vantech Corp.	No.1, Ln. 445, Sec. 2, Meishih Rd., Yangmei Township, Taoyuan County, Taiwan	Design, trading and manufacturing of semiconductor materials	5,000	5,000	500,000	100.00%	2,709	-	-	
Wafer Works Investment Corp.	Silicon Technology Investment (Cayman) Corp.	Grand Pavilion, Hibiscus Way, P.O. Box 31119, KY1-1205, Grand Cayman, Cayman Islands	Investment Holding Company	USD 53,141	USD 53,141	Common stock 1 Preferred stock A 6,970,327 Preferred stock B 38,991,198	89.26%	7,701,765	233,395	208,332	
Wafer Works Investment Corp.	Wafermaster Investment Corp.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	Investment Holding Company	USD 5,084	USD 5,084	5,083,900	100.00%	192,184	(12,476)	(12,476)	
Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited	Rooms 2006-8.20/F., Two Chinachem Exchange Square, 338 king's Road	Trading Company	HKD 10	HKD 10	-	100.00%	(101,350)	-	-	
Wafermaster Investment Corp.	Helitek Company Ltd.	4033 Clipper CT Fremint, CA 94538-6540	Manufacturing and trading of semiconductor materials.	USD 2,200	USD 2,200	3,400,000 (Preferred stock 2,000,000)	100.00%	192,175	(12,476)	(12,476)	

ATTACHMENT 5 (Securities held as of December 31, 2024) (excluding subsidiaries, associates and joint ventures)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

				As of December 31, 2024			
Holding Company	Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units	Book Value	Percentage of ownership (%)	Fair value
Wafer Works Corp.	GaN Power Technology Co., Ltd.	The Company is corporate director of the related party.	Financial asset at fair value through OCI, noncurrent	4,550,000	$45,500	9.40%	$45,500
	Loss: Financial assets at fair value through other comprehensive income, valuation adjustments				-		
	Net				$45,500		
Wafer Works Corp.	SweGaN AB	-	Financial asset at fair value through OCI, noncurrent	33,945	$63,100	5.40%	$63,100
	Loss: Financial assets at fair value through other comprehensive income, valuation adjustments				-		
	Net				$63,100		
Wafer Works Investment Corp.	Can Yang Investments Limited	-	Financial asset at fair value through OCI, noncurrent	153,488	$19,671	0.20%	$5,408
	Loss: Financial assets at fair value through other comprehensive income, valuation adjustments				(14,263)		
	Net				$5,408		
Wafer Works Investment Corp.	Solargiga Energy Holdings Limited	-	Financial asset at fair value through OCI, noncurrent	96,227,822	$177,070	2.90%	$35,752
	Loss: Financial assets at fair value through other comprehensive income, valuation adjustments				(141,318)		
	Net				$35,752		
Heli-Vantech Corp.	United Renewable Energy Co., Ltd.	-	Financial asset at fair value through OCI, noncurrent	138,747	$5,622	0.01%	$1,401
	Loss: Financial assets at fair value through other comprehensive income, valuation adjustments				(4,221)		
	Net				$1,401		

ATTACHMENT 6 (Acquisition of Individual Real Estate with Amount of at Least NT$ 300 million or 20% of the Paid-in Capital for the year ended December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

							Prior Transaction of Related Counter-party						
Acquiring Company	Name of Property	Transaction Date (Note 1)	Transaction Amount	Payment Status	Counter-party	Relationship	Owner	Relationship with the Company	Transfer Date	Amount	Price Reference	Purpose and Use of Acquisition	Other Terms
Wafer Works (Zhengzhou) Corp.	Buildings	2024.8.30	CNY $165,600	CNY $11,373	The Fourth Construction Co.,Ltd.of China Electronics System Engineering	-	-	-	-	-	-	Enhancing competitiveness and meeting the needs of future operation and development	None

Note 1: Transaction date means the date of agreement, date of contract signing, date of payment, date of resolution of the board of directors or a committee established by it, or other date that can confirm the counter-party and monetary amount of the transaction, whichever date is earlier.

ATTACHMENT 7 (Related party transactions for purchases and sales amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

			Transactions				Details of non-arm's length transaction		Notes and accounts receivables(payable)		
Purchase (sales) Company	Counterparty	Relationship	Purchases (Sales)	Amount	Percentage of total purchases (sales)(%)	Term	Unit Price	Term	Balance	Percentage of total notes and accounts receivables(payable)	Note
Wafer Works (Shanghai) Co., Ltd.	Wafer Works Epitaxial Corp.	Affiliated Company	Sales	$243,463	70.34%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	Similar to general customers.	Similar to general customers.	$23,169	48.83%	
Wafer Works (Zhengzhou) Corp.	Wafer Works Epitaxial Corp.	Affiliated Company	Sales	$1,939,988	93.43%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	Similar to general customers.	Similar to general customers.	$296,407	94.44%	
Wafer Works (Yangzhou) Corp.	Wafer Works Corp.	Affiliated Company	Sales	$130,419	66.10%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	Similar to general customers.	Similar to general customers.	$11,708	28.45%	
Wafer Works Epitaxial Corp.	Wafer Works Corp.	Affiliated Company	Purchases	$(133,356)	4.91%	Paid at 60 days after shipment arrival by using telegraphic transfer (T/T)	Incomparable due to different product specification.	No comparable non-related party.	$(23,674)	(5.69)%	
Helitek Company Ltd.	Wafer Works Corp.	Affiliated Company	Purchases	$(809,693)	97.64%	Paid at 60 days after shipment arrival by using telegraphic transfer (T/T)	Incomparable due to different product specification.	No comparable non-related party.	$(114,750)	(98.92)%	

ATTACHMENT 8 (Receivable from related parties with amounts exceeding the lower of 100 million dollars or 20 percent of capital stock as of December 31, 2024)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP.

Company	Counterparty	Relationship	Ending Balance	Turnover rate (times)	Overdue Receivables		Subsequent collection	Allowance for doubtful accounts
					Amount	Actions taken		
Wafer Works (Zhengzhou) Corp.	Wafer Works Epitaxial Corp.	Affiliated Company	Accounts receivables $296,407	6.25	$-	-	$-	$-
Wafer Works (Shanghai) Co., Ltd.	Wafer Works Epitaxial Corp.	Affiliated Company	Dividend receivables $740,677	-	$-	-	$-	$-
Wafer Works (Shanghai) Co., Ltd.	Wafer Works (Zhengzhou) Corp.	Affiliated Company	Dividend receivables $342,974	-	$-	-	$-	$-

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

1. Statement of Cash and Cash Equivalents

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Petty cash:		$262	1.Exchange Rate
Checking and savings accounts：			USD:NTD=32.785:1
Savings		2,913,020	JPY:NTD=0.2099:1
			EUR:NTD=34.14:1
			CNY:NTD=4.478:1
			2.Cash and Cash equivalents
			were not pledged.
Savings accounts：			
－USD		103,783	USD 3,166
－EUR		1,058	EUR 31
－JPY		62,680	JPY 298,474
－CNY		10,319	CNY 2,304
Fixed-term deposits:			
Time deposits－NTD		245,500	
Resale agreements collateralized by corporate bonds		14,482	CNY 3,234
Subtotal		3,350,842	
Total		$3,351,104	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

2. Statement of Financial Assets Measured at Amortized Cost - Current

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Description	Shares/Units	Par Value	Amount	Interest Rate	Acquisition Cost	Note
Land Bank of Taiwan	Savings account					$8,362	Please refer to Note 8
Land Bank of Taiwan	Time deposits	1		$6,500	0.83%	6,500	Please refer to Note 8
Total						$14,862	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

3. Statetment of Accounts Receivable, net

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client A	$71,782	1.The amount of individual client included
Client B	71,415	in others does not exceed 5% of the account balance.
Client C	55,644	2.Non related parties.
Client D	46,030	
Client E	30,395	
Client F	28,388	
Others	254,222	
Subtotal	557,876	
Less: loss allowance	(993)	
Net	$556,883	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

4. Statement of Other Receivables, net

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
Interest	$891	
Vat Refund	48,390	
Others	7	
Total	$49,288	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

5. Statement of Inventories

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$269,912	$247,451	1.Inventories are valued at lower of cost or net realizable value item by item.
Supplies & parts	530,185	533,663	
Work in progress	624,792	586,080	
Finished goods	199,136	253,784	2.Inventories were not pledged.
Merchandises	29,510	-	
Materials in transit	18,802	18,802	
Subtotal	1,672,337	$1,639,780	
Less: allowance for inventory valuation losses	(218,245)		
Net	$1,454,092		

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

6. Statement of Prepayments

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
Office supplies	$115,308	Other prepaid expenses relate to miscellaneous expenditures such as software maintenance costs and repair expenses.
Other prepaid expense	50,196	
Prepayment for purchases	129,818	
Total	$295,322	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

7. Statement of Other current Assets

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
Payment on behalf of others	$1,681	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

8.Statement of Changes in Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current

For the Year Ended December 31, 2024

(In Thousands Of New Taiwan Dollars)

Investee companies	As of January 1, 2024		Addition		Decrease		As of December 31, 2024		Collateral	Note
	Shares	Carrying amount	Shares	Amount	Shares	Amount	Shares	Carrying amount		
GaN Power Technology Co., Ltd.	4,550,000	$45,500	-	$-	-	$-	4,550,000	$45,500	None	
Add: Revaluation adjustments for financial assets at fair value through other comprehensive income - non-current		-		-		-		-		
SweGaN AB	-	-	33,945	63,100	-	$-	33,945	63,100	None	
Add: Revaluation adjustments for financial assets at fair value through other comprehensive income - non-current		-		-		-		-		
Total		$45,500		$63,100		$-		$108,600		

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

9. Statement of Financial Assets Measured at Amortized Cost - Current - Non Current

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Description	Shares/Units	Par Value	Amount	Interest Rate	Acquisition Cost	Note
Mega International Commercial Bank	Time deposits	4		$9,967	0.685%~1.69%	$9,967	Please refer to Note 8
Land Bank of Taiwan	Time deposits	1		12,000	0.83%	12,000	Please refer to Note 8
Total				$21,967		$21,967	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

10. Statement of Changes in Long-term Investment Accounted for Under the Equity Method

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2024		Additions		Decrease		As of December 31, 2024			Fair Value/Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total amount		
Wafer Works Investment Corp.	66,566	$5,769,804	-	$2,239,200 (Note 1)	-	$-	66,566	100.00%	$8,009,004	$121.15	$8,064,332	None	
Heli-Vantech Corp.	500	3,347	-	(638) (Note 2)	-	-	500	100.00%	2,709	5.42	2,709	None	
Huaxin (Shanghai) Technology Co. Ltd	-	(70,065)	-	(6,722) (Note3)	-	-	-	-%	(76,787)	-	(76,787)	None	
Total		$5,703,086		$2,231,840		$-			$7,934,926		$7,990,254		

Note 1: Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT$197,540 thousand, changes of unrealized gains or losses on financial assets measured at fair value through other comprehensive income recognized based on the proportion of holdings were NT$(31,041) thousand, dividends received from associates and joint ventures accounted for using the equity method were NT$(375,158) thousand, realized and unrealized gross profit from upstream transactions were NT$42,000 thousand and NT$(42,000) thousand, respectively, and share of other comprehensive income of associates and joint other ventures accounted for using the equity method was NT$338,211 thousand and adjusted NT$2,109,648 thousand capital surplus with change of percentage of ownership.

Note 2: Changes of unrealized gains or losses on financial assets measured at fair value through comprehensive income recognized based on the proportion of holdings were NT$(638) thousand.

Note 3: Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT$(4,448) thousand and share of other comprehensive income of subsidiaries, associates, and joint ventures associates, and joint ventures accounted for using the equity method amounted to NT$(2,274) thousand.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

11. Statement of Prepayment for equipment

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Supplier A	$136,073	
Supplier B	36,566	
Supplier C	26,504	
Supplier D	19,035	
Others	144,153	
Total	$362,331	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

12. Statement of Refundable deposits

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
Security deposit to Investment	$45,000	
Security deposit to custom authority	25,500	
Others	7,268	
Total	$77,768	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

13. Statement of Other non-current assets

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
Prepayments for materials		
Supplier E	$28,704	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

14. Statement of Short-term Loans

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Description	Type	As of December 31, 2024	Contract Period	Interest Rates	Loan Commitments	Collateral	Note
Land Bank of Taiwan	Credit loans	$300,000	2024.12.12-2025.01.10	Note	NTD 500,000	None	
Taiwan Corporative Bank	Credit loans	180,000	2024.12.23-2025.01.06	Note	NTD 300,000	None	
Bank of Taiwan	Credit loans	100,000	2024.11.22-2025.01.10	Note	NTD 200,000	None	
First Bank	Credit loans	80,000	2024.12.27-2025.01.24	Note	NTD 300,000	None	
EnTie Commercial Bank	Credit loans	60,000	2024.12.20-2025.01.03	Note	NTD 100,000	None	
Total		$720,000					

Note: As of December 31, 2024 the interest rate intervals for short-term loans were 1.93%~2.06%.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

15. Statement of Accounts Payable

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Supplier F	$25,841	1.The amount of individual vendor included in "others" does not exceed 5% of the account balance.
Supplier G	22,811	
Supplier H	12,958	
Others	187,454	2.All accounts are not related parties.
Total	$249,064	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

16. Statement of Other Payables

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Accrued Payroll	$163,728	
Employee Bonus	39,854	
Compensation Payable To Directors And Supervisors	300	
Accrued Utilities Expense	37,660	
Accrued Insurance Expense	21,962	
Accrued Shipping Expenses	23,049	
Accrued Interest Payable	3,089	
Payables On Equipment	108,548	
Others	123,016	
Total	$521,206	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

17. Statement of Changes in Current Tax Liablities

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Balance as of January 1, 2024	$394,033	
Add: Income tax accrual for 2024	37,516	
Surtax on undistributed earnings accrual for 2023	1,088	
Tax refund amount determined in previous years	4	
Less：Other income tax impacts adjusted according to tax laws	(37,516)	
Tax payment	(1,088)	
Income tax paid for previous years	(63,315)	
Adjustments from prior years	(7,969)	
Balance as of December 31, 2024	$322,753	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

18. Statement of Lease Liabilities

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Period	Discount rate	Amount
Land	2010/05/15~2029/12/31	2.477%	$40,278
Land	2022/10/01~2041/12/31	2.300%	184,551
Machinery	2023/06/01~2026/03/31	2.300%	4,542
Less: Current portion of lease liabilities			(20,261)
Non-Current portion of lease liabilities			$209,110

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

19. Statement of Other Current Liabilities

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Temporary receipts & Receipts Under Custody	$1,007	
Deffered Revenue	4,465	
Total	$5,472	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

20. Statements of Bonds Payable

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Description	Trustee.	Issue Date	Interest Payment Date	Interest Rates	Amount			Repayment Method	Collateral	Note
					Issue Amount	Converted or Redeemed Amount	As of December 31, 2024			
7th Unsecured Convertible Bonds Payable	Fubon Securities Co.,Ltd.	2021.7.27	-	-%	$300,000	$(2,400)	$297,600	According to the terms of conversion, please refer to Note 6(14).	None	
8th Unsecured Convertible	Fubon Securities Co.,Ltd.	2024.9.27	-	-%	1,500,000		1,500,000	According to the terms of conversion, please refer to Note 6(14).	None	
Less: Discounts on bonds payable							(152,631)			
Net							$1,644,969			

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

21. Statement of Contract liability

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client D	$85,220	1.The amount of individual client included in others does not exceed 5% of the account balance.
Client A	5,024	
Others	764	
Total	$91,008	2.Advance

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

22. Statement of Changes in Net Defined Benefit Liability

For the Year ended December 31, 2024

(In Thousands Of New Taiwan Dollars)

Item	Amount	Note
As of January 1, 2024	$18,684	
Add：Pension costs	358	
Less: Actuarial gains and losses	(6,843)	
Current period contribution	(5,883)	
As of December 31, 2024	$6,316	

Wafer Works Corp.

23. Statement of Deposits Received

As of December 31, 2024

(In Thousands Of New Taiwan Dollars)

Client Name	Amount	Note
Client F	$11,400	Long-term contract guarantee deposit

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

24. Statement of Operating Revenues

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Quanity	Amount	Note
Semiconductor wafer	5,265 thousands PCS	$4,060,226	
Others		19,887	
Total net opearating revenues		$4,080,113	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

25. Statement of Operating Costs

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Direct Materials		
Beginning balance	$268,294	
Add: Raw materials purchased	460,746	
Others	137,754	
Transfer	18,909	
Transfer	1,104	
Less: Ending balance	(288,714)	
Sales	(20,608)	
Others	(131,334)	
Transfer	(75,077)	
Transfer	(81)	
Direct materials used	370,993	
Supplies and parts		
Beginning balance	504,213	
Add: Supplies and parts purchased	1,109,411	
Others	8,585	
Less: Ending balance	(530,185)	
Procurement	(744)	
Others	(86,663)	
Supplies and parts used	1,004,617	
Direct labor	368,852	
Manufacturing overhead (Detailed list 26)	1,532,507	
Manufacturing cost	3,276,969	
Add: Work in process, beginning balance	668,433	
Others	(11,710)	
Transfer	75,077	
Transfer	904,226	
Less: Work in process, ending balance	(624,792)	
Sales	(80,437)	
Others	(1,038)	
Transfer	(18,909)	
Procurement	(2,338)	
Cost of finished goods	4,185,481	
Add: Finished goods, beginning balance	182,393	
Others	747	
Transfer	81	
Less: Finished goods, ending balance	(199,136)	
Transfer	(904,226)	
Others	(26,388)	
Transfer	(1,104)	
Cost of goods sold at normal production level	3,237,848	
Merchandise cost		
Beginning balance	29,754	
Less: Ending balance	(29,510)	
Transfer	(244)	
Cost of merchandise sold	-	
Cost of procurement	(17,880)	
Cost of raw materials sold directly	101,045	
Other costs	246	
Gain from inventory valuation	(8,863)	
Total	$3,312,396	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

26. Statement of Manufacting Overhead

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Indirect labor	$323,911	
Utilities	441,723	
Insurance	47,052	
Depreciation	457,250	
Amortization	287	
Meal expense	318	
Export freight	23,989	
Equipment maintenance expense	195,326	
Others	42,651	
Total	$1,532,507	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

27. Statement of Selling

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$24,935	
Depreciation	514	
Import and export fee	38,491	
Consumables	15,283	
Sample fee	25,127	
Others	15,056	
Total	$119,406	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

28. Statement of General and Administrative

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$105,956	
Rent expense	12,567	
Utilities	18,455	
Depreciation	57,741	
Amortization	4,177	
Professional service fees	12,534	
Others	88,562	
Total	$299,992	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Wafer Works Corp.

29. Statement of Research and Development

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$62,864	
Utilities	63,760	
Depreciation	81,515	
Materials utilized for testing	66,680	
Indirect materials	175,401	
Others	55,183	
Total	$505,403	