Stock Code: 5483

Sino-American Silicon Products Inc.

2021 Annual Report

Issue Date: May 15, 2022

Information website: http://mops.twse.com.tw
http://www.saswafer.com

I. Spokesperson of the Company

Name: Chung-Wei Lee
Title: Vice President of Corporate Development
Tel: 886-3-577-2233
E-mail: CWLee@saswafer.com

II. Acting Spokesperson

Name: Pei-Yi Chen
Title: Vice President of Marketing
Tel: 886-3-577-2233
E-mail: JenniferChen@saswafer.com

III. Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants

A. Headquarters and Plant
Address: 4F, No.8, Industrial East Road 2, Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.
Tel: 886-3-577-2233
Fax: 886-3-578-1706

B. Chunan Branch and Plant
Address: No. 6, Kezhong Road, Chunan Town, Miaoli County, Hsinchu Science Park
Tel: 886-37-582-533
Fax: 886-37-580-206

C. Yilan Branch and Plant
Address: No. 1, Section 2, Ligong First Road, Wujie Township, Yilan County
Tel: 886-3-990-5511
Fax: 886-3-990-3141

D. Hsu-Hsin Branch and Plant
Address: No. 6, Kezhong Rd., Chunan Township, Miaoli County
Tel: 886-37-582-533
Fax: 886-37-580-206

E. Subsidiaries and Plants
Name: Globalwafers Co., Ltd.
Address: No. 8, Industrial East Second Road, Hsinchu Science Park
Tel: 886-3-577-2255
Fax: 866-3-578-1706

IV. Stock Transfer Agency

Name: Stock Agency Department of Yuanta Securities Co., Ltd.
Address: B1, No. 210, Section 3, Chengde Road, Taipei City
Tel: 886-2-2586-5859
Website: http://www.yuanta.com.tw

V. External Auditor

Name of Accounting Firm: KPMG Taiwan
Name of CPAs: An-Chih Cheng, Mei-Yu Tseng
Address: 68F, No. 7, Sec. 5, Hsinyi Rd., Taipei City
Tel: 886-2-8101-6666
Website: http://www.kpmg.com

VI. Global Depositary Receipt (GDR) Agency

Luxembourg Stock Exchange
Method of inquiring about overseas securities information: http://www.bourse.lu

VII. Company Website

http://www.saswafer.com

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I. Letter to Shareholders

Dear Shareholders,

Thank you for attending the 2022 Shareholders' Meeting of Sino-American Silicon Products Inc. (SAS) and for your support and love for the Company.

In 2021, the overall solar energy industry still faced various new and old challenges; other than the sharp rise in upstream material prices due to the labor and material shortage resulting from the pandemic, the Chinese government imposed the Dual Control System of Total Energy Consumption and Energy Intensity also pushed up the overall costs. However, as the world enters the post-pandemic era, the global demand for solar energy installation increases. Many countries have declared the commitment to achieve carbon neutrality or zero-emission within a certain timeframe. Taiwan has also set the goal of net zero emissions by 2050, and the utilization of renewable energies and green production has become the key strategies of carbon neutrality. SAS supports the global and domestic net zero transformation with actual actions, to commit that SAS Group, with all subsidiaries, will achieve the goal of 100% utilization of renewable energy before 2050 in stages. SAS has a robust operation in the solar energy supply chain. Except for providing single crystalline silicon solar cells with high performance, modules and downstream power plant operation and maintenance, the Company has also actively positioned itself in the areas like energy storage and renewable energies, while actively expanding the key industrial positioning within the semiconductor industry chain, to expand the high value business, so that the 2021 operating results is outstanding!

The full year consolidated revenue for 2021 of Sino-American Silicon totaled NT$68.8 billion with YoY 12.1%; gross profit of NT$24.5 billion with gross margin of 35.6%; operating profit of NT$18.1 billion; profit before tax of NT$17.2 billion; net profit of NT$12.6 billion; net profit attributed to the parent company of NT$6.8 billion; EPS of NT$11.62. The consolidated revenue of 2021 recorded the second highest and the full year gross margin reached 35.6%, a new historical high! EPS for 2021 of NT$11.62, the best in history! Its semiconductor subsidiary, GlobalWafers Co., Ltd. (GWC), FY2021 revenue totaled NT$61.1 billion, reached record high! Gross margin of 38.1%, the second highest in the history; operating margin of 28.9%, the third highest record!

The operating results in 2021 and the business plan in 2022 are reported as follows:

I. Operating Results in 2021

A. Operational Performance

Unit: NT$ thousands

Year / Item	2021	2020	Percent Change (%)
Revenue	68,841,250	61,397,299	12.12
Cost of Goods Sold	44,314,606	40,283,700	10.01
Gross Profit	24,526,644	21,113,599	16.17
Operating Expense	6,446,651	6,181,502	4.29
Operating Profit	18,079,993	14,932,097	21.08
Profit Before Tax	17,205,727	16,238,190	5.96
Net Profit	12,615,390	12,711,062	-0.75
Net profit (Attributed to the parent company of the current period)	6,811,050	6,326,235	7.66

B. Budget Implementation: The Company had not announced its financial forecast for 2021.

C. Profitability analysis

Item			2021	2020
Financial Structure	Debt to Asset Ratio (%)		68.81	54.83
	Long-term Funds to PPE (%) (PPE - Plant, Property, Equipment)		326.57	182.30
Profitability Analysis	Return on Assets (%)		9.29	11.67
	Return on Equity (%)		24.78	25.87
	Percentage in Paid-up Capital (%)	Operating Profit	308.42	254.72
		Profit Before Tax	293.50	277.00
	Net Profit Margin (%)		18.33	20.70
	Earnings Per Share (NT$)		11.62	10.82

D. Financial Income and Expenditure

The Company's 2021 revenue of NT$68,841,250,000; cost of goods sold of NT$44,314,606,000; operating expenses of NT$6,446,651,000; non business net expenditure of NT$874,266,000; profit before tax of NT$17,205,727,000; net profit of NT$12,615,390,000. The financial structure is healthy.

E. Research and Development

1. 2021 Research & Development Expenditure

Unit: NT$ thousands

Item/Year	2021	2020
Research and Development Expenses	2,165,030	1,742,108
Revenue	68,841,250	61,397,299
R&D expenses as a percentage of revenue (%)	3.14	2.84

2. 2021 Achievement
   Technology or product
   a. High Quality Multi-Crystalline Silicon Materials
   b. High Efficiency P-type Mono-Si Solar Cell

3. Future R&D plan
   a. Development of Large Size Ultra-High Efficiency mono-Si Solar Cell Technology

II. Summary of the Business Plan for 2022

A. Business Guideline

1. Actively develop the growth momentum and position the opportunities in the compound semiconductors.
2. Enter the long-term agreement with strategic customers, to introduce the new-generation large-sized products for better competitiveness.
3. Diversified energy applications and services, including the opportunities derived from energy storage and green power.
4. Monitor the environment, social, and governance (ESG) issues, and enhance the energy utilization efficiency by using renewable energies, to achieve the goal of net-zero emission by 2050.
5. Utilize the Group's resources for vertical integration to expand the market and make profitable investment plans for power plants.

B. Sales Forecast and its basis

With the new green policies around the world, the self-announcements of environmental effects from enterprises, and the lowering prices of solar modules, the global demands toward accelerated grid parity for solar energy will keep on growing. The analyst from PVinfoLink revised upward again that the global demands for solar power generation, and forecasted the installation volume likely reaches 220GW for the full year of 2022. The large-size monocrystal products with high efficiency will be the mainstream. Therefore, the Company has a firm grasp of market trends and industry pulse, by timely adjustment on management strategies and by developing new-generation ultra-efficient products so as to strengthen the Company’s overall maneuvering competitiveness

C. Important production and marketing policies
   1. Continuously develop the regional market, to catch the trading opportunities under the trade war and new green policies.
   2. Strengthen cooperation with long-term customers, and develop high-efficiency and large-size niche products with core technology.
   3. Increase the added values while actively reducing the manufacturing costs to increase margins.
   4. Explore the downstream system business, strengthen vertical integration and global footprint, further expand the product market, and increase operating profit margin.
   5. Expanding the collaboration with different types of renewable energy power generators, to satisfy the self and supply chain demands.

D. Future Strategy
   1. Use the synergy of the group to develop the third type of semiconductor platform.
   2. Continuously develop and enhance the quality-price ratio of solar products through technologies and product differentiation strategies, to solidify the competitive position.
   3. Actively give play to the strategic layout of solar power plants, develop new solar energy system investment partners, and create the Group's terminal market to obtain long-term stable returns.
   4. Establish a fully integrated supply chain in the upper, middle and lower reaches, spread operational risks through vertical integration and diversified business strategies, and become the world's provider of green energy solutions with leading technologies.
   5. In response to the business opportunities of solutions derived from climate change, become a sustainable business partner for customers.

E. Effect of External Competition, Regulatory Environment and Macroeconomic
   1. In response to a number of competitors, the Company has accelerated the development of strategic customers and continued to develop new products with high-cost effectiveness. At the same time, it accelerates the integration of downstream system power stations to strengthen the downstream market of the Group's products.
   2. Uncertainties of geopolitics: the battles of new energies between China and the U.S., and the uncertainties related to the tariff barrier policies.
   3. To accommodate the liberalization of the green power transaction market, assistance services provided by Taipower, and the corporates' demands toward green power, the new energy strategy and opportunity development workforce has been established to meet the clients' new demands through internal transformation.
   4. Enhance confidentiality control and establish a global core patent distribution strategy to improve international competitiveness and respond to market changes.
   5. The Carbon Border Adjustment Mechanism (CBAM) promulgated officially by the EU will impose taxes on these imported goods failing to comply with the EU carbon emission regulations, and this shall expand internationally. The "Climate Change Response Act" to be promulgated in Taiwan will impact the enterprises not prepared well.

As impacts from extreme weather events grow in frequency and severity, renewable energy is crucial for decarbonization, many nations legislate green policies and climate goals to adopt renewable energy. Among all, solar PV accounts for more than half of all renewable power expansion because of its affordability and innovation, making it fully competitive to displace fossil fuels. Besides, domestic demands are underpinned by 2050 carbon neutrality resolution made by Taiwan government. SAS aggressively searches for new possibilities for building solar power plant to augment its deployment, such as aquavoltaics, agrivoltaics … etc. to expand the construction of solar power plants, tackle land availability – the primary limiting factor in Taiwan and shift from a pure manufacturer to a diversified energy applications and services supplier, including energy storage and green power. With restless efforts, SAS explores and enlarges its business, aiming to become a total green energy solution provider. Look into the future, SAS will focus on the robust operation of the key services, and keep on expanding strategic positioning in the semiconductor sector, which will become SAS' profitability foundation in terms of overall performance, seeking to increase the operating performance improvement, with another year of outperformance.

Finally, I would like to thank all shareholders for their long-term support and encouragement. I hope that all shareholders will continue to give the Company their love and support. On behalf of all our colleagues and the Board of Directors, I would like to express my sincere thanks.

I wish you good health and all the best.

Chairperson	Hsiu-Lan Hsu
General Manager	Tang-Liang Yao
Chief Accounting	Hsiu-Ling Hsu

II. Company Profile

I. Date of Incorporation

January 21, 1981

II. Company History

- January 1981 — The Company was officially established.
- August 1982 — Trial production of silicon monocrystal rod and silicon wafer was successful.
- March 1984 — Dr. Yan Dao served as Chairperson of the Board of Directors.
- April 1990 — Cash capital increase to NT$300 million was formally approved.
- June 1991 — The mass production of automobile rectifiers was successful and they were officially sold.
- September 1991 — The Company became the first company in China which independently developed and completed the mass production of zinc oxide surge absorber, namely zinc oxide rheostat.
- December 1991 — The monthly production of automotive rectifiers exceeded 2 million, second only to Motorola.
- July 1995 — Cash increased to NT$400 million.
- October 1995 — ISO-9002 certification was obtained.
- February 1997 — Phase IV plant renovation and new works were completed.
- November 1997 — Ms. Sun Lingling served as the Chairperson of the Board.
- December 1997 — Cash increased to NT$600 million.
- March 1998 — The Company invested in Songlong Electronics Co., Ltd. to manufacture surge absorbers.
- August 1998 — The capital reserve converted into capital increase was NT$630 million.
- November 1998 — The Company invested in Actron Technology Corporation.
- June 1999 — QS-9000 certification was passed.
- October 1999 — The Company invested in Chinese Mainland and set up Kunshan Sino Silicon Co., Ltd.
- December 1999 — Cash increased to NT$780 million.
- March 2000 — The mass production of polished wafers was successful.
- September 2000 — Zhongchen completed the construction of the plant and began mass production.
- March 2001 — Official listing and launching.
- October 2001 — "Ultrathin Wafer Processing Technology" won the Award of

Research and Development Program of Innovative Technologies in Science Industrial Parks.

- June 2002 — "The High-efficiency Monocrystal Lifting Technology Development" Plan obtained the subsidy of Special Science and Technology Case of the Ministry of Economy.
- November 2002 — The Company invested in Topsil, Denmark.
- December 2003 — The eight-inch long crystal technology was successfully developed.
- June 2004 — "The Development Plan of 2.5mohm-cm Monocrystal Substrate Material with Ultra-low Resistance and Heavy Arsenic Doped Silicon" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- July 2004 — "The Large-size and High-efficiency Solar PV Silicon Monocrystal Substrate Material Development Plan" obtained the R&D Subsidy of Leading New Products of the Ministry of Economy.
- July 2004 — "The Sino-American Silicon Innovation Technology Research and Development Center" was established.
- September 2004 — "The High-power Power and Electronics Wafer Technology Development Plan" was awarded the Science and Technology Project of the Ministry of Economy.
- September 2004 — ISO 14001 certification was passed.
- October 2004 — The Company won the 12th Industrial Science and Technology Development Award.
- November 2004 — "Blue Diode Sapphire Substrate Material Development Plan" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- April 2005 — The research and development of thick film bonded wafer (SOI wafer) was successful.
- June 2005 — Chunan Branch was established.
- July 2005 — TS16949:2002 certification was passed.
- September 2005 — "Deep Diffusion Polishing Wafer Development Plan" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- November 2005 — Chunan Branch held the Beam Raising Ceremony.
- November 2005 — Phase II expansion of Zhongchen Plant was completed.
- May 2006 — Trial production of Chunan Branch was successful.
- July 2006 — The mass production of the Chunan Branch officially started.
- October 2006 — Opening ceremony of Chunan Branch.
- April 2007 — Mr. Ming-Kuang Lu served as the Chairperson of the Board.
- April 2008 — Acquisition of 100% of stock equity of GlobiTech Incorporated from the US was completed.
- October 2008 — The Company won the Outstanding Innovative Enterprise Award of the 16th "Industrial Science and Technology Development Award"

of the Ministry of Economy.

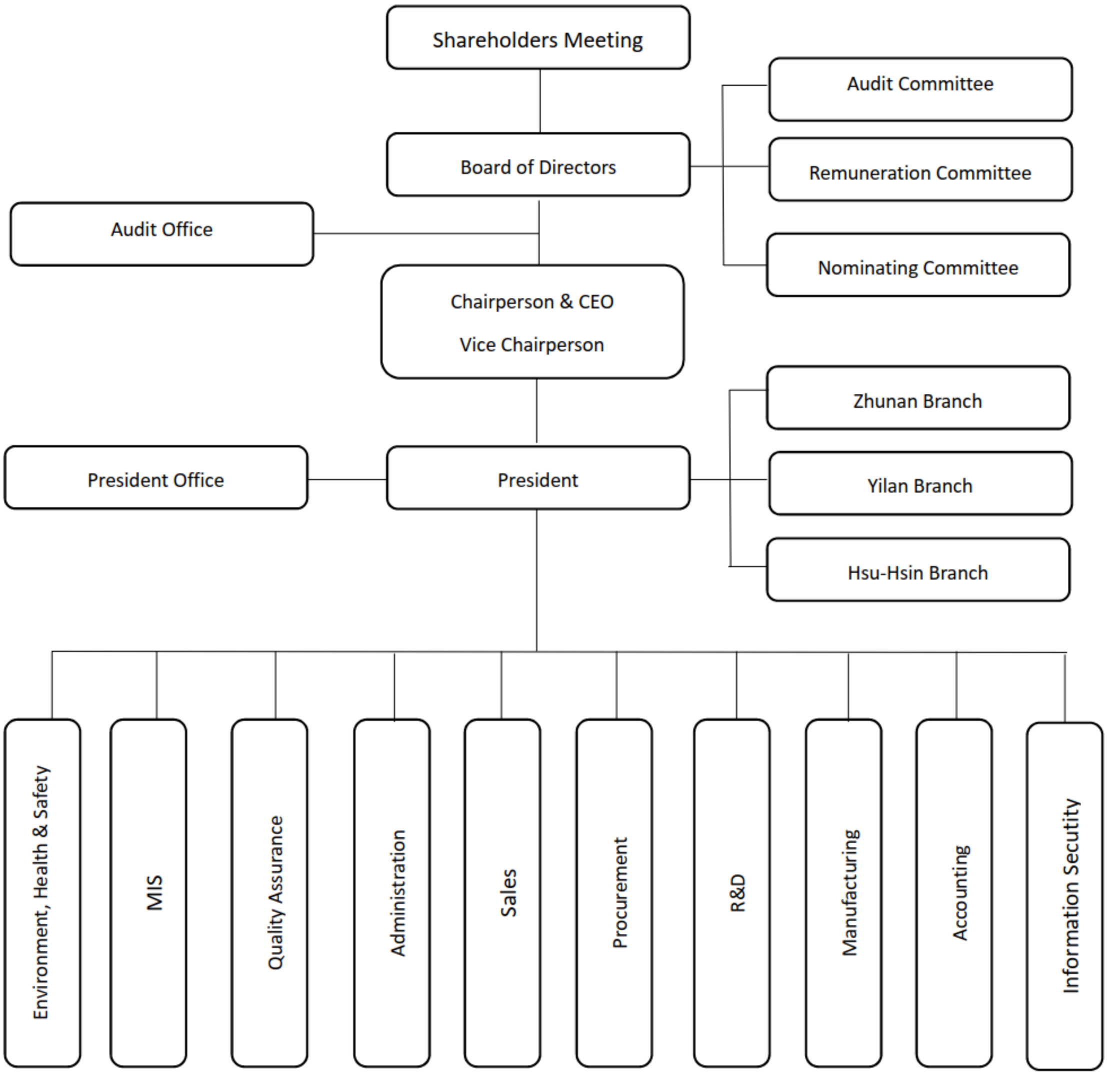
- October 2009 The 100 MW Acquaviva 3 solar power plant was installed in Bari, Italy, via SilFab Spa, a reinvestment company.
- June 2010 The construction of Chunan No. 2 Plant was completed.
- September 2010 The Company won the Excellent Industry Contribution Award for the Implementation of Industry Science and Technology Program issued by the Ministry of Economy.
- November 2010 With Shengyang Photoelectric Technology Corporation and Xindong Investment Corporation, the Company established Zhongyang PV Corporation.
- February 2011 The certification of the Taiwan Intelligent Property Management System (TIPS) was passed.
- October 2011 The company division plan of three major business divisions was completed; Sino-American Silicon retained the solar energy business, and newly established Globalwafers (Semiconductor Division and Transfer) and Sino Sapphire (Sapphire Division and Transfer).
- April 2012 Globalwafers Corporation, a subsidiary of Sino-American Silicon, completed the acquisition of the semiconductor silicon wafer business division of Japanese company Covalent Materials Corporation.
- September 2012 Aegis® Wafer won the Solar Energy Industry Award/Silicon Material Innovation Award.
- January 2013 Sino Sapphire, a subsidiary of Sino-American Silicon, was formally merged into Crystalwise Corporation.
- February 2013 The further certification of the Taiwan Intelligent Property Management System (TIPS) was passed.
- May 2013 Sino-American Silicon merged Zhongyang PV, and integrated solar energy business resources.
- September 2013 Sino-American Silicon was awarded the title of Top 50 Taiwan's Listed Enterprises in Terms of Patent Value of the United States.
- August 2014 The mergers and acquisition of Sunrise Global Solar Energy Co., Ltd. was completed.
- April 2015 The certification of Occupational Safety and Health Management System OHSAS 18001 was passed.
- April 2015 The Company won the title of "Top 5% of TPEx Listed Companies" of the First Corporate Governance Appraisal.
- July 2015 Sino-American Silicon was engaged in solar system, and the construction of Palo Power Plant in Philippines started.
- March 2016 The ISO 9001:2015 certification of Chunan Plant was passed.
- April 2016 The Company won the title of "Top 5% of TPEx Listed Companies" of the Second Corporate Governance Appraisal.

- May 2016 The 50MW solar power plant built on Wright Island in the Philippines was officially commercialized.
- August 2016 The Company won Laudise Prize of the International Organization of Crystal Growth (IOCG).
- December 2016 President Hsiu-Lan Hsu won the Award of National Outstanding Executive Award of Business Managers Association.
- December 2016 The Company won the Golden Energy Award awarded by the Energy Bureau of the Ministry of Economy.
- February 2017 The subsidiary FZtech Inc. won the Integration Output Award of Smart City Exhibition System in 2017.
- April 2017 The Company won the title of "Top 5% of TPEx Listed Companies" of the Third Corporate Governance Appraisal.
- April 2017 The Company won the National Invention and Creation Award in 2016.
- November 2017 The Company participated in the establishment of the Product Carbon Footprint Emission Coefficient Database of Environmental Protection Administration, Executive Yuan in 2017 and contributed a lot.
- November 2017 The Company won the Gold Award of Electronic and Information Manufacturing Industry Group of "Taiwan Company Sustainability Award (TCSA) in 2017".
- December 2017 The Company was selected as a benchmark enterprise in Economic Daily's "Corporate Social Responsibility Yearbook in 2017".
- April 2018 The Company won the title of "Top 5% of TPEx Listed Companies" of the Fourth Corporate Governance Appraisal.
- April 2019 The Company won the title of "Top 5% of TPEx Listed Companies" of the Fifth Corporate Governance Appraisal.
- May 2019 The solar cells are certified with the Made in Taiwan MIT Smile Product.
- April 2020 The Company won the title of "Top 5% of TPEx Listed Companies" of the Sixth Corporate Governance Appraisal.
- September 2020 The Company won the Excellency Award for “2020 Outstanding Enterprise of Waste Reduction and Circular Economy” sponsored by the Science Park.
- April 2021 The Company won the title of "Top 5% of TPEx Listed Companies" of the Seventh Corporate Governance Appraisal.
- May 2021 The Chunan Plant won the Diamond Grade Label of Green Buildings.
- December 2021 The Chunan Plant won the Green Factory Label.
- April 2022 The Company won the title of "Top 5% of TPEx Listed Companies" of the Eighth Corporate Governance Appraisal.

III. Corporate Governance Report

I. Organization Structure

A. Organization Chart



B. Responsibilities of Major Departments

Department	Responsibilities
Chairperson	Set up business plans, strategies, and targets. Execute resolutions from Board of Directors Meeting and Shareholder Meeting
Audit Office	Inspect and assess the soundness, adequacy and effectiveness over the Company's internal control system. Responsible for the execution, audit and reports over the internal controls.
President and President's Office	Perform resolutions from meetings of Board of Directors. Execution of management and projects. Define business plans and strategies and ensure planned business targets achieved. Evaluate and analyze business and management performance.
MIS	1. Maintain IT hardware & software 2. Plan and execute E-working
Information Security Department	1. Promotion of cyber security 2. Legal compliance of cyber security 3. Promotion of cyber security policies
Environment, Health & Safety	Responsible for the formulation and management of the Company's occupational safety and health management norms and systems, identify and prevent accidents and disaster risks, promote the management, and improve the promotion of staff health and safety and other related business activities.
Quality Assurance	Establish and maintain products standards and its relevant inspection standards. Inspect on purchased materials, tools, production process, and finished products. Perform product quality improvement activities.
Administration	1. Plan, recruit and train human resources, plan and perform annual training courses. 2. Legal related business, including compliance of laws and regulations, contracts and lawsuits.
Accounting Department	Capital, taxation, asset management, finance and management accounting.
Sales	1. Market strategy, explore potential market, customer communication and after service. 2. Collect market information, customer service and product application, assist the R&D and promotion activities of new products.
Procurement	Procure and purchase. Evaluate new suppliers. Manage raw materials and suppliers.
R&D	Research, develop, test new products. Improve production technology, yield and capacity. Collaborate with academic institutions. Design and improve machineries.
Manufacturing	1. Manage production and quality, abnormity, utilization of raw materials, scrap, maintain work environment and security, human resource arrangement and training, expansion preparation and execution. 2. Construct and maintain plant facilities of the Company, and execute environmental safety, sanitary and industrial safety issues 3. Evaluate and purchase new machineries and in charge of maintenance and improvement.

II. Information on the Company's Directors, Supervisors, President, Vice President, Assistant Vice President, and The Supervisors of All The Company's Divisions and Branch Units

A. Directors

1. Directors' Information

April 25, 2022 Unit: share; %

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	Note
Chairperson	Republic of China	Hisu-Lan Hsu	Female 61-70 years old	June 24, 2020	Three years	September 7, 1998	2,971,085	0.51%	2,971,085	0.51%	0	0	0	0	Master of Computer Science, University of Illinois/ President of the Company	Note 1	None	None	None	Note 11
Vice Chairperson	Republic of China	Tang-Liang Yao	Male 61-70 years old	June 24, 2020	Three years	November 6, 1998	3,450,395	0.59%	3,090,395	0.53%	14,413	0	0	0	Master of Management and Research Institute of Tamkang University/ Assistant Manager of Manufacturing Department of Xuxing Technology Corporation/ President of the Company	Note 2	None	None	None	None
Director	Republic of China	Ming-Kung Lu	Male 71-80 years old	June 24, 2020	Three years	September 7, 1998	11,400,00	1.94%	11,784,000	2.01%	1,171,685	0.20%	0	0	Honorary Doctor of Engineering of National Chiao Tung University/ Honorary Doctor of Engineering of Tatung University/ Academician of Industrial Technology Research Institute/ President of Lite-On Semiconductor Corporation/ President of Xuxing Science and Technology Corporation/ Vice President of Xuli Corporation	Note 3	None	None	None	None
Director	Republic of China	Wen-Huei Tsai	Male 61-70 years old	June 24, 2020	Three years	June 8, 2006	3,006,191	0.51%	3,006,191	0.51%	30,490	0.01%	0	0	Department of Accounting, National Chengchi University/ Director of Hongdian Medical Science and Technology	Note 4	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	Note
															Corporation/ Director of ENE Technology Inc.					
Director	Republic of China	Feng-Ming Chang	Male 61-70 years old	June 24, 2020	Three years	June 24, 2020	6,000,000	1.02%	6,000,000	1.02%	0	0	0	0	Master of Computer Science, University of Southern California/ Master of Economics, Texas A&M University/ Director of TECO Corporation/ Director of Syntec Scientific Corporation	Note 5	None	None	None	None
Director	Republic of China	Representatives of Kaijiang Corporation: Hau Fang	Male 41-50 years old	June 24, 2020 June 24, 2020	Three years Three years	June 26, 2014 June 27, 2017	2,000,000 0	0.34% 0	2,000,000 0	0.34% 0	0 0	0 0	0 0	0 0	Master of International Business Administration, National ChengChi University/ Bachelor of Business Administration, University of Arizona, USA/ Vice President, Asia Carbons & Technology Inc.	Note 6	None None	None None	None None	None None
Director	United States of America	Representative of Kunchang Investment Corporation: Edward Andrew Ow	Male 31-40 years old	June 24, 2020 June 24, 2020	Three years Three years	June 17, 2011 June 24, 2020	2,202,100 0	0.38% 0	2,202,100 0	0.38% 0	0 0	0 0	0 0	0 0	Department of Energy Economics, University of California, Berkeley/ Chairperson of Edison's Co., Ltd./ Director of VIA Faith and Love Charity Foundation/ Director of Chinese Christian Faith and Love Foundation	Note 7	None None	None None	None None	None None
Independent Director	Republic of China	Chin-Tang Liu	Male 61-70 years old	June 24, 2020	Three years	June 24, 2020	0	0	0	0	0	0	0	0	Bachelor, Department of Accounting, Tamkang University/ CPA, KPMG/ Governor of 21th Term, Taiwan Provincial CPA Association/ Independent Director of Min Aik Precision Industrial Co., Ltd.	Note 8	None	None	None	None
Independent Director	Republic of China	Hou-Chung Kuo	Male 51-60 years old	June 24, 2020	Three years	June 24, 2020	0	0	0	0	0	0	0	0	PhD, Electrical Engineering and Computer Science, University of Illinois, Urbana-Champaign	Note 9	None	None	None	None
Independent Director	Republic of China	Shao-Lun Li	Male 61-70 years old	June 24, 2020	Three years	June 24, 2020	0	0	0	0	0	0	0	0	PhD of Material Science, University of California / Executive VP, Lam Research Corporation/ Director of TVBS Media Inc./	Note 10	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	Note
															Supervisor of HTC Corporation/ President of Chander Electronics Corporation					

Note 1:At present, she is also the Chairperson and CEO of GlobalWafers Co., Ltd., Representative of Institutional Director of Actron Technology Corporation, Director of Crystalwise Technology Inc., Representative of Institutional Director of Advanced Wireless Semiconductor Company, Chairperson of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of SAS Sunrise Inc., Chairperson of Sunrise PV Three Co., Ltd., Chairperson of Sunrise PV Four Co., Ltd., Chairperson of SAS Capital Co., Ltd., Chairperson of GWC Capital Co., Ltd., Chairperson of Sustainable Energy Solution Co., Ltd., Director of GlobalWafers Inc., Director of GlobalSemiconductor Inc., Chairperson & CEO of GlobiTech Incorporated, Chairperson of GlobalWafers Japan Co., Ltd., Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Chairperson of Topsil GlobalWafers A/S, Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Chairperson of MEMC Japan Limited, and Director of MEMC Korea Company.

Note 2:At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Representative of Institutional Director, Vice Chairperson and Vice CEO of Actron Technology Corporation, Chairperson and CEO of Crystalwise Technology Inc., Representative of Institutional Director of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd., Director of Shanghai Zhaoye Shenkai Electronic Materials Co., Ltd., Director of SY Company LLC, Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., , Director of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Director of GlobalWafers Singapore Pte. Ltd.

Note 3:At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Chairperson and CEO of Actron Technology Corporation, Representative of Institutional Director of Formerica Optoelectronics Inc., Representative of Institutional Director of REC Technology Corporation, Chairperson of Bigbest Solutions Inc., Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd. , Independent Director of LITE-ON Technology Corporation.

Note 4:At present, he is concurrently Director of Xunjie Technology Corporation and Director of Advanced Wireless Semiconductor Company.

Note 5:At present, he is concurrently Chairperson of Merle Co., Ltd, General Affair Governor of The Wings Of Hope, and Vice Chairperson of Grand World Compassion.

Note 6:At present, he is concurrently Representative of Institutional Director of Actron Technology Corporation.

Note 7:At present, he is concurrently Chairperson of Edison's Co., Ltd., Vice President of Investment Department of Weilian Technology Corporation, Director of VIA Faith and Love Charity Foundation, Director of Chinese Christian Faith and Love Foundation

Note 8:At present, he is concurrently Independent Director of Prolific Technology Inc., and Independent Director of Unizyx Holding Corporation

Note 9:At present, he is concurrently Seminar Professor of National Yang Ming Chiao Tung University.

Note 10:At present, he is concurrently Director of IC Broadcasting Co., Ltd., Vice President of VIA Technologies, Director of Cross-Strait Peace Taiwan Trust, Hope and Love Culture and Education Foundation, and Chairperson of VTron Techonolgoy Consultancy Co., Ltd.

Note 11:Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: Under the consideration of the operating scale and in order to improves overall operating efficiency, the chairman of the Company is also the CEO. Other than the positions mentioned, the Company also has a position of the President, which is having different authorities. The CEO is more focused on the planning aspect (Responsible to develop the Company's business strategy, annual budget plan, important customer relationship maintenance, strategic alliance planning, investment layout planning and annual achievement tracking, etc.) and the President is responsible for the execution aspect of the Company's operation(Focus on coordination and supervision to achieve operational objectives, while implementing the Company's policies and the business strategy and related operational matters planned by the CEO), which complements on another. By having the Chairman also working as the CEO, the board of directors can plan the Company's development blueprint much practical for operating and managing as well as to have more clarity to the operating status of the Company. More than half of the Board members of the Company are not being employees or managers at the same time, and the Board of Directors has three independent directors. The functional committee members are chaired by independent directors to make recommendations to the Board after full discussion of important issues, which strengthens the supervisory functions of the Board of Directors and implements corporate governance.

2. Major shareholders of the institutional shareholders:

April 25, 2022

Name of Institutional Shareholders	Major shareholders of the institutional` shareholders
Kaijiang Co., Ltd.	Ling-Ling Sun (69.72%), Kai-Jiang Fang (4.20%), Hao Fang (5.88%) and Hua Fang (4.20%)
Kunchang Investment Co., Ltd.	Christian Chinese Trust, Hope and Love Foundation (17.50%), Cross-Strait Peace Taiwan Trust, Hope and Love Culture and Education Foundation (17.50%), Social Welfare Charitable Trust Social Welfare Foundation (17.50%) and Weisheng Trust, Hope and Love Charity Foundation (17.50%).

3. The Main shareholders are institutional shareholders: None.

4. Information disclosure for professional qualification and experience of directors, and independent directors' independence:

Conditions / Name	Professional qualification and experience	Independence status of independent directors	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson Hsiu-Lan Hsu	● Served as Sales Assistant President, Vice President and President of Sino-American Silicon; currently serves as Chairperson of GlobalWafers, Director of Crystalwise Technology Inc., and Director of Actron Technology Corporation. ● Possessing more the three decades of industrial experience. As an executive, she has rich experience in commerce, legal affairs, finance, and accounting fields required for the Company's operation, with abundant experience, as well as the expertise and ability of decision-making required for the Company's operation. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Vice Chairperson Tang-Liang Yao	● Served as President of Sino-American Silicon, Assistant President of Xuxing Science and Technology Corporation; currently served as Chairperson of Crystalwise Technology Inc., Director of GlobalWafers, and Vice Chairperson of Actron Technology Corporation. ● Spent 40 years in the industry, with rich knowledge about production, manufacturing, and management. He has multiple-year experience as an executive as well as rich cross-field experience in operation and	N/A.	None

	management of a company, with abundant cross-discipline corporate experience, to furnish unique insights and advice depending on different macroeconomic and industrial scenarios. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.		
Director Ming-Kuang Lu	● Serves as President of Lite-On Semiconductor Corp., President of Xuxing Science and Technology Corporation; Chairperson of Sino-American Silicon, Director of GlobalWafers; currently serves as Chairperson of Actron Technology, Independent Director of LITE-ON Technology Corporation, and Honorary Chairperson of Sino-American Silicon. ● Has worked in the semiconductor industry for more the four decades. He had frequently outperformed in terms of corroborate management, with excellent management ability, unique forward-looking vision, commercial negotiation skills, and deep knowledge of finance and accounting, with sufficient intelligence and expertise required for the Company's operation. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	1
Director Wen-Huei Tsai	● Served as Director of Easywell Biomedicals, Inc.; currently serves as Chairperson of ENE Technology Inc. and Director of Advanced Wireless Semiconductor Company. ● Very familiar with the capital market and financial system, and sensitive to the industrial environment. He is able to offer real-time perspectives and insights of the Company's operation directions and strategies, and provide the direction of adjustment and advices. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Feng-Ming Chang	● Served as Director of TECO Corporation and Chairperson of Syntec Scientific Corporation; currently serves as Chairperson of Merle Co., Ltd. ● Possessing abundant industrial experience, with experience of operation and management, as well	N/A.	None

	as abilities of crisis management, leadership and decision making. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.		
Director Representative of Kaijiang Corporation: Hau Fang	● Served as Vice President of Asia Carbons & Technology Inc.; currently serves as Director of Actron Technology Corporation. ● Possessing expertise in investment management, operation and management, and strategic planning. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Representative of Kunchang Investment Corporation: Ou, Guang-Ying	● Currently serves as Chairperson of Edison Opto Corp., and Vice President of Investment Department, CW & ET Link Inc. ● Possessing expertise in investment management, operation and management, and strategic planning. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Independent Director Jin-Tang Liu	● Holding CPA qualification, and served as CPA in KPMG Taiwan; currently serves as Independent director of Prolific Technology Inc. and Independent Director of Unizyx Holding Corporation. ● Possessing accounting and finance professional knowledges and abundant industrial experience; his professionalism, knowledge, and expertise in accounting and finance enable him to provide the immediate perspectives and insights to the Company's direction and strategies of operation, as well as the direction of adjustment and advices. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	Qualified for the requirements of the independence in Article 3, and restriction of current positions held in Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." ● Himself, spouse, or relative within the second degree of kinship not a director, supervisor, or employee of the company or any of its affiliates. ● None of the Company's share is held by him/herself,	2
Independent Director Hou-Chung Kuo	● Professor, Department of Photonics, National Yang Ming Chiao Tung University ● More than 20 years of application research and experience in		None

	semiconductor, and committed in researching compound semiconductor for a long time; awarded as the 2021 "Excellent Engineer/Professor" by Chinese Institute of Engineers. His broad knowledge is very beneficial to the Company and the Group's R&D direction and IP management. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	spouse, or relative within the second degree of kinship (including held by the person under others' names) ● Not a director, supervisor, or employee of the companies with certain relationships with the Company. ● No compensation is received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years.	
Independent Director Shao-Lun Li	● Served as Executive VP, Lam Research Corporation, Supervisor of HTC Corporation, President of Chander Electronics corp.; currently serves as Vice President of VIA Technologies and Chairperson of VIA Venture Technology Consultancy Co., Ltd. ● Possessing abundant industrial experience, with experience of operation and management, as well as abilities of crisis management, leadership and decision making. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."		None

5. The board of directors' diversity and independence

   a. The board of directors' diversity

      The Company's "Corporate Governance Best-Practice Principles" has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. The composition of the board of directors has been determined by taking diversity into consideration, and appropriate policy on diversity based on the Company's business operations, operating dynamics, and development has been formulated, as the following two general standards:

      1. Basic requirements and values: Gender, age, nationality, and culture.
      2. Professional knowledge and skills: A professional background (e.g., law,

accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

The implementation of diversity by board members is illustrated as follows:

Of the seven current directors of the Company, three are independent directors (accounting 30%); one is female director (10%), and two are directors with employee status (20%); three independent directors have a term of less than three years. The Company emphasizes the gender equality among the board members, and the target is at least one seat of female director.

The board members possess the work experience and expertise in operation and management, industrial knowledge, finance and strategic management; the implementation of the board members' diversity are as following table:

Diversified Core Items / Name of Directors	Nationality	Gender	Concurrently serving as an employee	Age					Term of office for independent director		Operational Judgment Ability	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Handling Procedures	Industrial Knowledge	International Market View	Leadership Ability	Decision-making Ability
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	71-80 years old	Under 3 years	3-6 years								
Hsiu-Lan Hsu	Republic of China	Female	✓				✓				✓	✓	✓	✓	✓	✓	✓	✓
Tang-Liang Yao	Republic of China	Male	✓				✓				✓	✓	✓	✓	✓	✓	✓	✓
Ming-Kuang Lu	Republic of China	Male						✓			✓	✓	✓	✓	✓	✓	✓	✓
Feng-Ming Chang	Republic of China	Male					✓				✓	✓	✓	✓	✓	✓	✓	✓
Wen-Huei Tsai	Republic of China	Male					✓				✓	✓	✓	✓	✓	✓	✓	✓
Kun Chang Investment Co., Ltd Representative: Guang-Ying Ou	U.S.	Male		✓							✓		✓	✓	✓	✓	✓	✓
Kai Jiang Co., Ltd Representative: Hau Fang	Republic of China	Male			✓						✓	✓	✓	✓	✓	✓	✓	✓
Jin-Tang Liu	Republic of China	Male					✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
Hou-Chung Kuo	Republic of China	Male				✓			✓		✓		✓	✓	✓	✓	✓	✓
Shao-Lun Li	Republic of China	Male					✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

b. The board of directors' independence

The Company's Board of Directors consists of ten directors, including three independent directors, accounting 30%. All independent directors are qualified for the independence requirement set forth in Article 3, and the concurrent post restriction set forth in Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The composition of the board has no circumstances provided in paragraph 3 and 4 of Article 26-3, the Securities and Exchange Act (spouses or relatives within the second degree of kinship among directors). The composition of the board meets the independence requirement.

B. Information on the Company's President, Vice President, Assistant Vice President, and the supervisors of all the Company's Divisions and Branch Units as follows

April 25, 2022 Unit: Share; %

Title (Note 1)	Nationality	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications (Note 2)	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationships	
CEO	Republic of China	Hsiu-Lan Hsu	Female	February 1, 2008	2,971,085	0.51%	0	0	0	0	Master of Computer Science, University of Illinois/President of Creative Sensors Inc./President of the Company	Note 1	None	None	None	Note 4
President	Republic of China	Tang-Liang Yao	Male	October 1, 1998	3,090,395	0.53%	14,413	0	0	0	Master of Management and Research Institute of Tamjiang University/Assistant Manager of Manufacturing Department of Xuxing Technology Corporation/President of the Company	Note 2	None	None	None	None
Executive Vice President Manager	Republic of China	Hau-Chun Shih	Male	August 1, 2014	272,000	0.05%	0	0	0	0	Engineering Science Department of National Cheng Kung University/Vice President of SIBOND Science and Technology Manufacturing Center/Senior Vice President of Sunrise Global Solar Energy Co., Ltd.	None	None	None	None	None
Vice President of Marketing	Republic of China	Pei-Yi Chen	Female	August 1, 2017	247,035	0.04%	1,000	0	0	0	Department of Geopolitics, National ChengChi University/Director of Business of Sunrise Global Solar Energy Co., Ltd.	None	None	None	None	None
Vice President of Corporate Development	Republic of China	Chung-Wei Lee	Male	March 21, 2017	30,000	0.01%	0	0	0	0	Master of Business Administration, Meiji University, Japan/Executive Vice President and President of Covalent Materials Taiwan/Associate Manager of MITSUI & CO. (Taiwan), LTD.	Note 3	None	None	None	None
Accounting Department Chief	Republic of China	Hsiu-Ling Hsu	Female	March 23, 2018	0	0	0	0	0	0	Enterprise Management Research Institute of Taipei University/Director of PwC Taiwan/Accounting Manager of Sunrise Global Solar Energy Co., Ltd./Accounting Manager of Globalwafers Corporation	None	None	None	None	None

Note 1:At present, she is also the Chairperson and CEO of GlobalWafers Co., Ltd., Representative of Institutional Director of Actron Technology Corporation, Director of Crystalwise Technology Inc., Representative of Institutional Director of Advanced Wireless Semiconductor Company, Chairperson of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of SAS Sunrise Inc., Chairperson of Sunrise PV Three Co., Ltd., Chairperson of Sunrise PV Four Co., Ltd., Chairperson of SAS Capital Co., Ltd., Chairperson of GWC Capital Co., Ltd., Chairperson of Sustainable Energy Solution Co., Ltd., Director of GlobalWafers Inc., Director of GlobalSemiconductor Inc., Chairperson & CEO of GlobiTech Incorporated, Chairperson of GlobalWafers Japan Co., Ltd., Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Chairperson of Topsil GlobalWafers A/S, Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Chairperson of MEMC Japan Limited, and Director of MEMC Korea

Company.

Note 2: At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Representative of Institutional Director, Vice Chairperson and Vice CEO of Actron Technology Corporation, Chairperson and CEO of Crystalwise Technology Inc., Representative of Institutional Director of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd., Director of Shanghai Zhaoye Shenkai Electronic Materials Co., Ltd., Director of SY Company LLC, Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., , Director of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Director of GlobalWafers Singapore Pte. Ltd.

Note 3: At present, he is concurrently Vice President of Corporate Development of GlobalWafers Co., Ltd.

Note 4: Where the Chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: Under the consideration of the operating scale and in order to improves overall operating efficiency, the chairman of the Company is also the CEO. Other than the positions mentioned, the Company also has a position of the President, which is having different authorities. The CEO is more focused on the planning aspect (Responsible to develop the Company's business strategy, annual budget plan, important customer relationship maintenance, strategic alliance planning, investment layout planning and annual achievement tracking, etc.) and the President is responsible for the execution aspect of the Company's operation(Focus on coordination and supervision to achieve operational objectives, while implementing the Company's policies and the business strategy and related operational matters planned by the CEO), which complements on another. By having the Chairman also working as the CEO, the board of directors can plan the Company's development blueprint much practical for operating and managing as well as to have more clarity to the operating status of the Company. More than half of the Board members of the Company are not being employees or managers at the same time, and the Board of Directors has three independent directors. The functional committee members are chaired by independent directors to make recommendations to the Board after full discussion of important issues, which strengthens the supervisory functions of the Board of Directors and implements corporate governance.

C. Compensation Paid to CEO, President and Vice Presidents

1. Remuneration Paid to Directors (Independent Directors included): 2021

December 31, 2021 Unit: NT$ thousands

Title	Name	Remuneration of Directors								Ratio of total compensation (A+B+C+D) to net income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation paid to directors from an invested company other than the company's subsidiary or from the parent company
		Remuneration (A)		Severance Pay (B)		Director Remuneration (C)		Business Execution Cost (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Remuneration (G)						
																The Company		Companies in the consolidated financial statements				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	Companies in the consolidated financial statements	
General directors:	Hsiu-Lan Hsu Tang-Liang Yao Ming-Kuang Lu Wen-Huei Tsai Feng-Ming Chang Kai Jiang Co., Ltd Representative: Hau Fang Representative of Kunchang Investment Corporation: Ou, Guang-Ying	20,720	20,730	0	0	43,260	56,410	230	365	64,210 0.94%	77,505 1.14%	6,395	9,932	0	0	28,000	0	71,800	0	98,605 1.45%	159,237 2.34%	None
Independent Director	Jin-Tang Liu Hou-Chung Kuo Shao-Lun Li	2,190	2,190	0	0	1,740	1,740	105	105	4,035 0.06%	4,035 0.06%	0	0	0	0	0	0	0	0	4,035 0.06%	4,035 0.06%	None

1. Please specify the remuneration policies, standards, and packages, the procedure for determining remuneration for independent directors, and its linkage to operating performance and future risk exposure:
   In addition to the monthly fixed remuneration for independent directors and the transportation subsidies for attending the Board of Directors, the Company may consider the degree of participation and contribution of independent directors to the Company's operations, and take into account the results of the director's performance appraisal, to decide the distribution of director's remuneration to the independent directors from the director's remuneration appropriated from the annual profit, if any. The aforesaid remuneration allocated to the independent directors, shall be deliberated and approved by the Remuneration Committee, and submitted to the Board of Directors for approval.
2. Except as disclosed in the preceding table, the remuneration received by the directors of the Company in recent years for the services provided to all companies in the financial statements (e.g. as non-employee consultant in parent/ all companies in the financial statements/ investees): None

Remuneration Paid to Directors

Range of Remuneration Paid to Each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Below NT$1,000,000	—	—	—	—
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Independent director Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	—	—	—	—
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	—	—	—	—
NT$5,000,000 ~ NT$9,999,999	General directors: Hsiu-Lan Hsu, Wen-huei Tsai, Feng-Ming Chang, Representatives of Kaijiang Corporation: Hau Fang, Representatives of Kunchang Investment Corporation: Ou, Guang-Ying	General directors: Wen-huei Tsai, Feng-Ming Chang, Representatives of Kaijiang Corporation: Hau Fang, Representatives of Kunchang Investment Corporation: Ou, Guang-Ying	General directors: Wen-huei Tsai, Feng-Ming Chang, Representatives of Kaijiang Corporation: Hau Fang, Representatives of Kunchang Investment Corporation: Ou, Guang-Ying	General directors: Wen-huei Tsai, Feng-Ming Chang, Representatives of Kaijiang Corporation: Hau Fang, Representatives of Kunchang Investment Corporation: Ou, Guang-Ying
NT$10,000,000 ~ NT$14,999,999	—	—	—	—
NT$15,000,000 ~ NT$29,999,999	General directors: Ming-Kuang Lu and Tang-Liang Yao	General directors: Hsiu-Lan Hsu, Ming-Kuang Lu, Tang-Liang Yao	General directors: Hsiu-Lan Hsu, Ming-Kuang Lu	General directors: Ming-Kuang Lu
NT$30,000,000~ NT$49,999,999	—	—	General Director: Tang-Liang Yao	General Director: Tang-Liang Yao
NT$50,000,000 ~ NT$99,999,999	—	—	—	Chairperson: Hsiu-Lan Hsu
More than 100,000,000 yuan	—	—	—	—
Total	A total of 10 persons	A total of 10 persons	A total of 10 persons	A total of 10 persons

2. Remuneration of supervisors: The Company has changed its Audit Committee, so there is no remuneration of supervisors.

3. Remuneration of President and Vice President

December 31, 2021 Unit: NT$ thousands

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Profit Sharing- Employee Bonus (D)</th><th colspan="2">Ratio of total compensation (A+B+C+D) to net income (%)</th><th rowspan="3">Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>CEO</td><td>Hsiu-Lan Hsu</td><td rowspan="5">14,535</td><td rowspan="5">17,831</td><td rowspan="5">427</td><td rowspan="5">427</td><td rowspan="5">2,951</td><td rowspan="5">3,533</td><td rowspan="5">36,500</td><td rowspan="5">0</td><td rowspan="5">82,500</td><td rowspan="5">0</td><td rowspan="5">54,412
0.80%</td><td rowspan="5">104,291
1.53%</td><td rowspan="5">None</td></tr>
<tr><td>Vice CEO and President</td><td>Tang-Liang Yao</td></tr>
<tr><td>Executive Vice President</td><td>Hau-Chun Shih</td></tr>
<tr><td>Vice President</td><td>Chung-Wei Lee</td></tr>
<tr><td>Vice President</td><td>Pei-Yi Chen</td></tr>
</table>

Note 1: The actual amount of Severance Pay paid in 2021: NT$ 0.
Note 2: The amount of withdrawal or funding of Severance Pay: NT$ 427,000.

Range of Remuneration

Range of Remuneration of Presidents and Vice President of the Company	Name of Presidents and Vice President	
	The Company	Companies in the consolidated financial statements
Under NT$ 1,000,000	—	—
NT$ 1,000,000~ NT$ 1,999,999	—	—
NT$ 2,000,000~ NT$ 3,499,999	—	—
NT$ 3,500,000~ NT$ 4,999,999	Chung-Wei Lee	—
NT$ 5,000,000~ NT$ 9,999,999	Hau-Chun Shih, Pei-Yi Chen	Chung-Wei Lee, Hau-Chun Shih, Pei-Yi Chen
NT$ 10,000,000~ NT$ 14,999,999	—	—
NT$ 15,000,000~ NT$ 29,999,999	Hsiu-Lan Hsu, Tang-Liang Yao	Tang-Liang Yao
NT$ 30,000,000~ NT$ 49,999,999	—	—
NT$ 50,000,000~ NT$ 99,999,999	—	Hsiu-Lan Hsu
More than NT$ 100,000,000	—	—
Total	5	5

4. Employee Profit Sharing Granted to Management Team

December 31, 2021 Unit: NT$ thousands

	Title	Name	Employee Bonus - in Stock	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	CEO	Hsiu-Lan Hsu	0	40,000	40,000	0.59%
	Vice CEO and President	Tang-Liang Yao				
	Executive Vice President	Hau-Chun Shih				
	Vice President	Chung-Wei Lee				
	Vice President	Pei-Yi Chen				
	Accounting Department Chief	Hsiu-Lin Hsu				

D. The proportions of total remuneration paid to Directors, Supervisors, Presidents and Vice President of the Company in net income after tax in the last two years are compared and explained. The policies, standards and combination of remuneration payment, the procedure of remuneration setting, the relationship between remuneration and operating performance, and the relationship between remuneration and future risks are explained.

1. Total Remuneration to Net Income

Title	The ratio of total remuneration of 2021 to net income after tax (%)		The ratio of total remuneration of 2020 to net income after tax (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	1.00%	1.20%	1.08%	1.28%
President and Vice President	0.80%	1.53%	0.96%	1.76%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance

   a. The policies, standards, and portfolios for the payment of remuneration:

      The Company's remuneration for Directors is handled in accordance with the Company's Articles of Incorporation and the allocation rules of Directors' remuneration, which can be divided into three categories: Directors' compensation, Directors' remuneration and operating expenses; and the remuneration for Presidents and Vice President of the Company can be divided into three categories:

salary, bonus and car allotment, employee remuneration, which are authorized by the Board of Directors to be verified based on the relevant provisions of the Company's salary verification.

b. Procedures of Remuneration:

According to the Articles of Incorporation of the Company, if the Company is profitable in the year, it should allocate 3-15% as employees' remuneration. The Board of Directors decides to distribute the remuneration in stock or cash. The object of the distribution includes the employees of the subordinate company who meet certain conditions. If the Company can make profit with the above amount, the Board of Directors decides to allocate up to 3% as its Directors' remuneration. The distribution proposal of remuneration of employees and Directors should be submitted and reported to the shareholders' meeting.

If it has accumulative losses, the Company should reserve and make up the amount before distributing remuneration to the employees and Directors according to the percentage mentioned in the preceding paragraph. In addition, in the business execution cost, only the traffic allowance for each Directors' meeting is distributed. The procedures for determining Directors' remuneration should be based on the performance evaluation method of the Board of Directors of the Company, the participation in and contribution to the Company's operation should be considered, and reasonable remuneration should be given. The part of remuneration received by the President and Vice President of the Company is based on the operating performance quota of the annual budget approved by the Board of Directors each year. The payment method is based on "Measures for the Administration of Wages and Remuneration of the Company's Managers" and "Measures for Employee Remuneration Distribution."

The Company established Remuneration Committee at the end of 2011, which periodically examines performance of Directors and managers, as well as remuneration policy, system, standard and structure. Report if above-mentioned will be discussed in the Board of Directors.

c. Connection between operation performance and future risk:

Performance evaluation and remuneration of Directors and managers are measured based on market average, operating results, degree of participation (including the attendance rate, the frequency of communication, the suggestions provided, etc.) and contribution to the Company's performance (including financial indicators such as revenue and profit achievement rate, and non-financial indicators such as law and internal control compliance, or special achievements, etc.), and comprehensively consider the monetary amount, distribution method and future risk of the Company. It has a positive correlation with the performance and responsibility of the Company's business.

III. Implementation of Corporate Governance

A. Attendance of Directors for Board Meetings

The Board of Directors was held for 7 sessions in 2021. The Attendance of Directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Chairperson	Hsiu-Lan Hsu	7	0	100%	Reappointed on June 24, 2020
Vice Chairperson	Tang-Liang Yao	7	0	100%	Reappointed on June 24, 2020
Director	Ming-Kuang Lu	7	0	100%	Reappointed on June 24, 2020
Director	Wen-Huei Tsai	6	1	86%	Reappointed on June 24, 2020
Director	Feng-Ming Chang	7	0	100%	Elected on June 24, 2020
Director	Kaijiang Corporation Representative: Hau Fang	7	0	100%	Reappointed on June 24, 2020
Director	Kun Chang Investment Co., Ltd Representative: Edward Andrew Ow	5	2	71%	Elected on June 24, 2020
Independent Director	Chin-Tang Liu	7	0	100%	Elected on June 24, 2020
Independent Director	Hou-Chung Kuo	6	1	86%	Elected on June 24, 2020
Independent Director	Shao-Lun Li	7	0	100%	Elected on June 24, 2020

Other mentionable items

I. If there are any of below circumstances, the dates of meetings, sessions, contents of motions, all Independent Directors' opinion and the Company's response to Independent Directors' opinion should be specified:

   A. The matters referred to in Article 14-3 of the Securities and Exchange Act:
      Not applicable. The Company has set up an Audit Committee, which is governed by Article 14-5 of the Securities and Exchange Act.

   B. Despite issues previously mentioned, other resolutions of the Directors' meetings objected by Independent Directors or subject to qualified opinion and recorded or declared in writing: No such matter has occurred in the Company.

II. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

   A. On May 6, 2021, the Board meeting discussed the distribution of directors. The proposal is voted one by one for each individual director; and each director recused him/herself for his/her own remuneration due to conflict of interest, not participating discussion and voting.

   B. On May 6, 2021, the Board meeting discussed the distribution of employees to managerial officers. Chairperson Hsiu-lan Hsu, Vice Chairperson Tang-Liang Yao, and Director Ming-Kuang Lu are subject to the distributions, so they recused themselves as required by laws, not participating discussion and voting.

   C. On June 23, 2021, the board meeting discussed the proposal to sell silicon raw materials to the subsidiary, GlobalWafers Co., Ltd. Chairperson, Hsiu-lan Hsu, Vice Chairperson, Tang-Liang Yao, and Director, Ming-kuang Lu concurrently serves as the Chairperson and Directors of GlobalWafers Co., Ltd., and thus have conflict of interests; they did not participate the discussion and voting.

   D. On August 5, 2021, the Board of Directors discussed about the Letter of Support to be issued by the Company for Taiwan Specialty chemicals Corporation. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao were Chairperson and Director of Taiwan Speciality Chemicals Corporation and the interested party in the case, they were avoided of motions in conflict of interest according to law and did not participate in the discussion and voting.

   E. On September 23, 2021, the Board of Directors discussed about the subscription of unsecured common corporate bonds privately placed by Crystalwise Technology Inc. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao were Director and Chairperson of Crystalwise Technology Inc. and the interested party in the case, he was avoided of motions in conflict of interest according to law and did not participate in the discussion and voting.

F. On December 9, 2021, the Board of Directors discussed about the Letter of Support to be issued by the Company for Crystalwise Technology Inc. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao were Director and Chairperson of Crystalwise Technology Inc. and the interested party in the case, he was avoided of motions in conflict of interest according to law and did not participate in the discussion and voting.

G. On December 9, 2021, the Board of Directors discussed about disposing shares of Crystalwise Technology Inc. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao were Director and Chairperson of Crystalwise Technology Inc. and the interested party in the case, he was avoided of motions in conflict of interest according to law and did not participate in the discussion and voting.

III. The Evaluation of the Board of Directors

Assessing Cycle	Assessing Period	Assessing Scope	Assessing Method	Content of the Assessment
Once A Year	From January 1, 2021 to December 31, 2021	● Board of Directors ● Individual Members of the Board of Directors ● Functional Committee (Including the Audit Committee, the Remuneration Committee, and the Nomination Committee)	● Self-assessment from the Board of Directors ● Self-assessment from Individual Members of the Board of Directors ● Self-assessment from the Functional Committee	Self-assessment from the Board of Directors 1. Level of involvement in the Company's operations. 2. Promoted the quality of the resolution from the Board of Directors. 3. The composition and structure of the Board of Directors. 4. The election and advanced studies of Directors. 5. Internal control. Self-assessment from Individual Members of the Board of Directors 1. Mastering the company's goals and tasks. 2. The cognition to the responsibility of a Director 3. Level of involvement in the Company's operations. 4. Internal relationship management and communication. 5. Director’s personal business and advanced studies. 6. Internal Control. Self-assessment from the Functional Committee 1. Level of involvement in the Company's operations.

				2. The cognition to the responsibility of Functional Committee. 3. Promoted the quality of the resolution from the Functional Committee. 4. The composition and structure of the Functional Committee. 5. Internal Control.

IV. Functional objectives (e.g. setting up Audit Committee, improving information transparency, etc.) and implementation evaluation:

Strengthen functional objectives of the Board of Directors	Implementation evaluation
Establish Independent Directors	Strengthen the independence and objective functions of Directors and supervise the operation of the Board of Directors.
Establish the Remuneration Committee	Assist the Board of Directors in implementing and evaluating the Company's overall compensation and benefits system, and regularly review the appropriateness of remuneration for Directors, Supervisors and managers.
Establish the Audit Committee	Exercise the functions and powers stipulated in the Securities and Exchange Law, Company Law and other relevant laws.
Establish the Nomination Committee	Improve the nomination system of the Company's Directors and senior managers.
Continuously improve the information transparency	The Company appointed a special person to be responsible for the disclosure of Company information and updating information on the Company website.
Actively make communication with stakeholders	The Company has spokespersons and acting spokespersons, and stakeholders can use them as channels of communication. Every year, the shareholder's meeting accepts the shareholders' proposals according to the schedule. The shareholders who have the right to submit proposals can apply to the Company during the period of acceptance. The Company will convene the meeting of Board of Directors to examine the proposals in accordance with the relevant provisions.
Improve the operational efficiency and decision-making ability of the Board of Directors	The Company has formulated "the Meeting Standards of Board of Directors" to strengthen the implementation of the functions of the Board of Directors, and promote the healthy development of the Board of Directors' participation in decision-making.
Strengthen professional knowledge	The Directors and Supervisors of the Company should study for a number of hours per year as prescribed by the competent authority, the relevant members of the Board of Directors should be encouraged to participate in various professional courses, and the relevant decrees should be promulgated at the meeting of the Board of Directors to comply with the provisions of the decree.
Set the position of Corporate Governance Supervisor	In order to implement corporate governance and enhance the effectiveness of the Board of Directors, on May 9, 2019, the Board of Directors set the position of Corporate Governance Supervisor to provide Directors with relevant information to perform their duties and other necessary assistance.

B. The Operation of the Audit Committee:

A total of 7 Audit Committee meetings were held in 2021. The attendance of the Independent Directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Chin-Tang Liu	7	0	100%	Elected on June 24, 2020
Independent Director	Hou-Chung Kuo	7	0	100%	Elected on June 24, 2020
Independent Director	Shao-Lun Li	7	0	100%	Elected on June 23, 2020

For the professional qualifications and experience of members of the Audit Committee, please refer to the relevant content of this annual report "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".

Formation and operations of Audit Committee

The Company's Audit Committee consists of three independent directors, and operates primarily in order to supervise the following matters:

I. The fair expression of the Company's financial statements.
II. Selection (dismissal) of certification accountants and their capability, credentials, independence and performance.
III. Effective implementation of the Company's internal control.
IV. Company compliance with laws and regulations.
V. Control and management of the company's potential or existing risks.

Other mentionable items

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent directors' dissent, qualified opinion, or material recommendations, resolution of the Audit Committee and the Company's handling of said resolution.
   A. The matters referred to in Article 14-5 of the Securities and Exchange Act and resolutions:
      The motions of 2021 were approved by all the members present in the Audit Committee and all the directors present in the Board of Directors. The operation of the Audit Committee in 2021 was as follows.

Audit committee of the Remuneration Committee	Content of motion	Matters listed in Article 14-5 of Securities and Exchange Law	Resolution results of the Audit Committee and the Company's Treatment of the Audit Committee's Opinions
March 18, 2021 1st meeting, 2021, the 4th Term	Audit Business Report	V	Adopted with the consent of all the members present in the Audit Committee
	Report on the Evaluation of the Competency and Independence of CPAs	V	
	The Company's Business Report and Financial Statements of 2020	V	
	Revision of the Company's "Procedures for Acquisition or Disposal of Assets"	V	
	Amendments to the Company's "Procedures for Derivatives Trading"	V	
	Discussion about Non-handling of the Issuance of New Shares by Capital Increase of Private Equity upon Expiration	V	
	Discussion about Dealing with Public or Private Offerings of Securities to Meet the Company's Financial Needs	V	
	Declaration of Internal Control System of 2020	V	
	Discussion about Loan of Funds to Sub-subsidiary Sulu Electric Power	V	

	and Light		
	The Company's 2020 Certified Fees of CPAs	V	
	The Company sets up a subsidiary	V	
May 6, 2021 2nd meeting, 2021, the 4th Term	Audit Business Report	V	Adopted with the consent of all the members present in the Audit Committee
	The Company's Consolidated Financial Quarterly Report for the First Quarter in 2021	V	
	The 2020 earning distribution table and the proposal of the earning distribution for the latter half of 2020.	V	
	Amendment to the Company's Hsu-Hsin branch "Internal Control System"	V	
	Serving as Joint Guarantor for Subsidiary, SAS Capital Co., Ltd. for Loan from a Financial Institution.	V	
	To accommodate the first issuance of overseas unsecured convertible corporate bonds by the subsidiary, GlobalWafers, it is proposed to sign the promissory note of major shareholder.	V	
June 23, 2021 3rd meeting, 2021, the 4th Term	Proposal to sell silicon raw materials to the subsidiary, GlobalWafers.	V	Adopted with the consent of all the members present in the Audit Committee
	The Company's Reinvestment	V	
	Serving as Joint Guarantor for Subsidiary, SAS Capital Co., Ltd. for Loan from a Financial Institution.	V	
	Proposal to loan of funds to subsidiary, SAS Capital Co., Ltd.	V	
August 6, 2021 4th meeting, 2021, the 4th Term	Audit Business Report	V	Adopted with the consent of all the members present in the Audit Committee
	Motion for the Company's consolidated financial statements of Q2 2021.	V	
	Loan of Funds to Subsidiaries of Power Plant	V	
	The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.	V	
	Amendments to the Company's "Accounting System"	V	
September 23, 2021 5th meeting, 2021, the 4th Term	The Company Intending to Subscribe the Private Unsecured Ordinary Corporate Bonds of Crystalwise Technology Inc.	V	Adopted with the consent of all the members present in the Audit Committee
November 4, 2021 6th meeting, 2021, the 4th Term	Report on the Implementation of the Internal Audit Plan	V	Adopted with the consent of all the members present in the Audit Committee
	Proposal to dispose of shares of Crystalwise Technology Inc. and report on Crystalwise's operation	V	
	Report on reinvestments	V	
	Motion for the Company's consolidated financial statements of Q3 2021.	V	
	The 2022 audit plans of the Company	V	
	Proposal to establish the "Risk Management Policy and Procedures."	V	
	Amendments to the Company's "Code of Ethical Conduct"	V	
	The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.	V	
	8. Loan of Funds to Subsidiaries	V	
December 9, 2021 7th meeting, 2021, the 4th Term	Establish the 2022 business plan	V	Adopted with the consent of all the members present in the Audit Committee
	The Company's earnings allocation for the first half of 2021	V	
	Discussion about Cash Giving by Capital Reserve	V	
	Proposal to dispose of shares of Crystalwise Technology Inc.	V	
	Coping with the internal adjustment of the accounting firm, proposal to replace the CPAs.	V	
	Amendment to the Company's "Measures for Business Rights and Responsibilities"	V	
B. Other resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors: None.			

II. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: The Company has no above circumstance.

III. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.).
   A. Other than regularly participating the meetings of the Audit Committee to report the execution the internal audits, the internal audit officer communicates and discusses with the independent directors in person, via phone or emails; every year at least one communication meeting is held with the Audit Committee without the general directors and management.
   B. Other than communicating with the independent directors via the communication meetings with independent directors only, the CPAs also participate the quarterly meetings of the Audit Committee and the board of directors, to communicate with the independent directors regarding the audit or review results of financial statements, advices to the internal controls, and other matters required to be communicated by related laws and regulations.

The summary of the communication between independent directors and internal auditing officers in 2021

Date	Focus of communication	Recommendations and results
March 18, 2021 Audit committee	1. Chief internal auditor made the Internal Audit Business Report 2. Issued a declaration on the internal control system.	No opinion
May 6, 2021 Audit committee	1. Chief internal auditor made the Internal Audit Business Report	No opinion
August 5, 2021 Audit committee	1. Chief internal auditor made the Internal Audit Business Report	No opinion
November 4, 2021 Communication meetings between independent directors and audit supervisor alone	1. Explain the audit scope and internal auditor deployment. 2. Explain 2021 audit plan execution and 2022 audit plan: the cooperation and support of the Company to the internal audit. 3. Explain the self-assessment plan of international control system and promotion of digitized questionnaire. 4. Explain progress of execution for the advices provided by the Audit Committee members.	Audit Office was requested to explain how the Company execute "the supplier management/ evaluation included."
November 4, 2021 Audit committee	1. Chief internal auditor made the Internal Audit Business Report 2. Internal audit plan	No opinion
December 9, 2021 Communication meetings between independent directors and audit supervisor alone	1. Summarized the execution process of "the supplier management/ evaluation included."	It was advice that the Company identify the application media of each process, as the consideration of introducing automated process

The summary of the communication between independent directors and CPAs in 2021

Date	Focus of communication	Recommendations and results
March 18, 2021 Audit committee	CPAs explained the audit of 2020 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
May 6, 2021 Audit committee	CPAs explained the audit of Q1 2021 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
August 5, 2021 Audit committee	CPAs explained the audit of 2021 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
November 4, 2021 Communication meetings between independent directors and CPAs alone	Annual audit planning: scope and key points	No opinion
November 4, 2021 Audit committee	CPAs explained the audit of Q3 2021 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion

IV. Summarization of the annual major tasks of Audit Committee

The Audit Committee held a total of seven meetings in 2021 to review the following motions:

A. The fair expression of the Company's financial statements:
Review on the 2020 financial statements, and Q1 to Q3 financial statements of 2021.

B. Selection (relieving) of CPAs and their competence, independence and performance as well as certified public expense:
Review on the competence, independence and performance of external auditors in 2020;
Review the service fees of CPAs.

C. Effective implementation of the Company's internal control:
Reviewed the internal audit report, 2020 internal control statement, and amended the internal control system.

D. Major assets, derivatives, capital loans and endorsements or guaranteed transactions:
Reviewed the proposal of loaning of fund, derivatives, endorsements or guaranteed transactions and reinvestment related matters.

E. Review and amend various regulations and procedures:
Reviewing the regulations including procedures for acquisition or disposition of assets, engaging in derivatives trading, loaning of fund to others, endorsements or guarantees; amending the Code of Ethical Conduct.

C. Corporate Governance Implementation Status, Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.” The information has been disclosed on the Company’s website and Corporate Governance Area of MOPS (http://mops.twse.com.tw/).	No significant difference.
II. Shareholding structure & shareholders’ rights				
(I) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company entrusts Shareholders Service Dept. of Yuanta Securities Co., Ltd. to handle the problems posed by shareholders on behalf of it, and also establishes the spokesman system to deal with related matters, as well as the Investor Relation and Related Parties sections on the website dedicated to accepting any questions or suggestions.	No significant difference.
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The Company keeps abreast of the shareholding status of directors, managerial officers, and major shareholders holding more than 10% shareholding. The Company discloses the relevant information on the MOPS designated by Securities and Futures Bureau on a monthly basis.	No significant difference.
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company’s internal control covers the corporate risk management activities and operating activities. The Company establishes the “Regulations Governing Supervision on Subsidiaries” to fulfill the risk control mechanism against subsidiaries. Meanwhile, the Company also establishes the “Regulations Governing Management of Investment” and “Operating Procedure for Transactions of Group Members and	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Specific Companies with Related Parties" to govern the purchases/sales, acquisition or disposition of assets, endorsements/guarantees and loaning of fund by the affiliates.	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) The Company establishes the "Operating Procedure for Prevention of Insider Trading" to prohibit insiders from trading securities based on non-public information.	No significant difference.
III. Formation and responsibilities of Board of Directors				
(I) Has the board of director formulated the diversity policy, concrete management targets, and implemented fully?	V		(I) The Company's "Corporate Governance Best-Practice Principles" has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. For the education and experience, professional quality, independence, and diversity of each director, please refer to "Three. Corporate Governance Report/II. Information of Directors" in the annual report. The information above is also disclosed in the Company's website.	No significant difference.
(II) Whether the Company, in addition to establishing the Remuneration Committee and Audit Committee, pursuant to laws, is willing to establish any other functional committees voluntarily?	V		(II) The Audit Committee was established in 2014: All three members are independent directors; The Remuneration Committee was established in 2011: All three members are independent directors; The Commission for Sustainable Development of Enterprises was established in 2016 (Renamed as the ESG Committee in 2022): It is composed of management teams and reports the implementation	No significant difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			status and results to the Board of Directors every year. The Company established the Nomination Committee in 2020. Members consist of five directors, including three independent directors	
(III) Whether the Company has defined the regulations governing appraisal on performance of the Board of Directors and the approach to conduct the appraisal, whether it conducts the performance appraisal periodically each year, submit the results to BoD and apply as reference for remuneration evaluation of each director and nomination for term renewal?	V		(III) After approval of the Board of Directors, the Company has formulated “the Performance Evaluation Measures for the Board of Directors and Functional Committees.” It makes the performance evaluation of the Board of Directors and the Functional Committee (including the Remuneration Committee and the Audit Committee) at least once a year, and submits the evaluation results to the Board of Directors. At the end of each year, the President Office is responsible for executing and coordinating the evaluation process. Internal questionnaires are collected. The evaluation is completed through the internal self-evaluation, and the self-evaluation of board members and functional members. The evaluation scope includes the performance evaluation of the whole Board of Directors, individual members of the Board of Directors, the Remuneration Committee and the Audit Committee. The performance evaluation standards of the Board of Directors and the functional committees of the Company mainly include participation in the operation of the Company, improvement of the decision-making quality of the Board of Directors and functional committees, composition and structure of the Board of Directors and functional committees, selection and continuing education of the Board of Directors and functional members, internal control, etc. The evaluation results are submitted to the Board of Directors for reference for individual director’s remuneration and when selecting or nominating directors. The Company has completed the performance evaluation for 2021, and all aspects of the evaluation results have reached the	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			indicators, indicating that the overall operation of the board of directors and committees is in perfect condition. The performance evaluation results were reported to the Board of Directors and disclosed on the Company's website on March 17, 2022.	
(IV) Whether the Company assesses the independence of the external auditor periodically?	V		(IV) The Company has established the "Regulations Governing Appraisal on Independence and Performance External Auditors." The Company will assess the external auditors' independence, competence and performance each year, and submit the assessment report to the Audit Committee and Board of Directors for approval. The Company has completed the 2021 appraisal on independence and performance of external auditors. The appraisal report was already reported to the Audit Committee meeting and the Board meeting on March 17, 2022. The scope of appraisal on independence covers the 15 indicators, including whether the external auditors hold the position as directors/supervisor or managerial officers of customers, or any other positions which may render material effect to the audited cases, whether the external auditors have direct or indirect material financial interest with the Company, whether the external auditors have significant business relations and employment relations with the Company, and whether the external auditors promote, or act as the broker for, the stock or other securities issued by the Company. The performance indicators include service quality, level of profession and timeliness.	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
IV. Where the Company is a TWSE/TPEX listed company, has the Company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, convention of board meetings and shareholders' meetings under laws, company registration and registration of changes, preparation of board meeting and shareholders' meeting minutes, etc)?	V		In order to implement corporate governance and strengthen the function of directorship, after the approval of the Board of Directors on May 9, 2019, the Company appointed Section Chief Ming-Huei Chien as the Company's Governance Supervisor. He has more than three years' experience in finance, stock and meeting management of public issuing companies. The Corporate Governance Supervisor and members of the President Office are responsible for related matters of corporate governance and serve as the Secretary of the Board of Directors. The main responsibilities of the Corporate Governance Supervisor include providing the information needed by the directors to carry out their business, assisting directors to abide by the laws and regulations, assisting directors in taking office and continuing their studies, handling matters related to the meetings of the Board of Directors, committees and the Board of Shareholder, making minutes of meetings, etc. The implementation of corporate governance in 2021 was as follows: 1. Formulated and planned relevant measures for corporate governance, and implemented laws and regulations. 2. Provided the information needed by directors to carry out their business and assisted directors in complying with the decrees. 3. Planned the meeting of Board of Directors, notified all directors at least 7 days before the meeting, provided sufficient information for the meeting, and sent the minutes of the meeting of Board of Directors within 20 days after the meeting.	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			4. Registered the date of the shareholders' meeting in advance according to law, prepared the notice of meeting, meeting handbook and meeting records within the legal time limit, and changed the registration after amending of the articles of association or re-election of directors. 5. Provided directors' refresher courses and purchased liability insurance for directors and key employees. 6. Maintained the relationship with investors, organized the inventor conferences, and established diversified communication channels with investors. The corporate governance officer should take at least twelve hours of continuing education courses per year. For his continuing education, please refer to (IX) continuing education of corporate governance for managerial officers. Set and plan the review on the corporate governance-related regulations, and add and amend the same to fulfill the compliance.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		(I) The Company has spokespersons, stock managers and business undertakers, establishes smooth communication channels, and respects and safeguards the legal rights and interests of all stakeholders. (II) The Company has a corporate responsibility area and a stakeholder area on its website. It also has established contact telephone and e-mail boxes for business personnel, investors, suppliers and employees' welfare. All stakeholders can communicate with each other by telephone or e-mail when necessary. In addition, in the social responsibility area of enterprise, the Company discloses information	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			about stakeholders' concerns, communication channels and so on. Every year, the Board of Directors reports on the promotion and implementation of social responsibility of enterprise and the communication with stakeholders.	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates the professional Yuanta Securities Co., Ltd. to deal with shareholder affairs.	No significant difference.
VII. Information Disclosure				
(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The Company has set up a website to disclose information regarding the Company's financials, business and corporate governance status.	No significant difference
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(II) The Company has set up an English website and assigned an appropriate person to handle information collection and disclosure, as well as webcasting investor conferences (http:// www.saswafer.com), to fully disclose company information and implement the spokesperson system in accordance with the regulations.	No significant difference
(III) Whether the Company announces and declare the annual financial statements within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial statements and the monthly revenue ahead of the prescribed period?		V	(III) Due to the numerous overseas subsidiaries result in complexity of transnational financial statements consolidation, the Company announces and declares its annual financial statements within the legal period of three months after the end of the fiscal year. The Company arranges early announcements and declares the first, second, and third quarter financial reports and monthly revenue before the prescribed deadline to enhance the transparency and timeliness of company information disclosure.	All consistent other than the annual financial statements.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) Status of employee rights: The Company has always treated its employees in good faith, focused on rational and human-based management, established smooth communication channels, maintained good relations between employer and employees, and safeguarded the legal rights and interests of employees in accordance with the Labor Standard Act and the Company's personnel regulations. (2) Status of employee wellness: The Company establishes a good relationship of mutual trust with employees through its welfare system and education and training system, such as establishing the Staff Welfare Committee, and providing staff travel, employee insurance, various subsidies and benefits and free annual regular health examination, etc. (3) Investor relations: The Company fully discloses information through MOPS and its website, enables investors to fully understand the Company's operating conditions, and communicates with investors through shareholders' meetings and spokespersons. (4) Supplier relations: The Company has formulated "Measures for Supplier Survey, Appraisal and Evaluation" to carefully define suppliers' quality, service level, green products, environmental safety risks, ethics and social responsibility, and select qualified suppliers. The Company deals with suppliers in accordance with its "Ethical Corporate Management Best-Practice Principles", maintains a good interactive relationship, and audits regularly to ensure supplier quality. (5) Rights of stakeholders: The Company has contact telephone and e-mail boxes for spokespersons and acting spokespersons, business	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			personnel, investment relations, supplier relations and employee welfare relations, and can communicate directly with stakeholders. It has set up a company website (http:// www.saswafer.com) to disclose its information about finance, business, corporate governance and stock agency. (6) Status of directors' training: 1. See (IX) Status of Directors' Training. 2. Disclosed in the Corporate Governance Area of MOPS (http://mops.twse.com.tw). (7) Implementation of risk management policies and risk measurement standards: The Company has formulated "Risk Management Policies" and "Measures for Risk Management" in accordance with the law for various risk management and evaluation. Please refer to this year's report, review analysis of financial situation and operating results and risk management. (8) Implementation of customer policies: The Company always keeps close contact with customers and maintains stable and good relations to ensure the expected reliability and quality of products and create company profits.The Company's purchasing of liability insurance for directors: The Company has purchased liability insurance for directors to strengthen the protection of shareholders' rights and interests. It is also disclosed in the Corporate Governance Area of MOPS (http://mops.twse.com.tw).	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">IX. Please state the improvement according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Co., Ltd. in recent years, and put forward priority items to be improved and measures for those which have not yet been improved.
Results of the first to the 8th “Corporate Governance Evaluation” of the Company ranked among the top 5% of TPEx Listed Companies. The Company continues to review and enhance the corporate governance. Here are some improvements and possible improvements of this year.
(I) Improvements
1. Quarterly report of ESG execution to the board of directors
(II) Possible improvements in the future
1. Quarterly report of ESG execution to the board of directors</td></tr>
</table>

D. Operations of the Remuneration Committee:

1. Information of Remuneration Committee Members

May 15, 2022

Identity	Conditions / Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	Jin-Tang Liu	Please refer to the contents of "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".	Please refer to the contents of "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".	2
Independent Director	Hou-Chung Kuo			0
Independent Director	Shao-Lun Li			0

2. Duties of Remuneration Committee:

The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion.

a. Periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standard and structure.
b. Periodically evaluate and review the contents and amount of the Company's remuneration to directors and managerial officers.

3. Operations of the Remuneration Committee

a. The Company's Remuneration Committee consists of 3 members and all Independent Directors.
b. Term of office of the current members: from June 24, 2020 to June 23, 2023. In the most recent year (2021), the Remuneration Committee held meetings for 2 times (A). Membership and attendance were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Chin-Tang Liu	2	0	100%	Elected on June 24, 2020
Member	Hou-Chung Kuo	2	0	100%	Elected on June 24, 2020
Member	Shao-Lun Li	2	0	100%	Elected on June 24, 2020
Other mentionable items: I. If the board of directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Remuneration Committee's opinion (e.g.,					

if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

II. Resolutions of the Remuneration Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

III. The operation of the Remuneration Committee was as follows:

Session/Date of the Remuneration Committee	Content of motion	Resolution results	The Company's response to the Remuneration Committee's opinion
4th term 1st meeting, 2021 March 18, 2021	Report on the salary and remuneration for Company's key talents	Agreed and approved by all the members present	Submitted to the Board meeting and passed upon approval of the whole present directors unanimously.
	Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2020		
4th term 2nd meeting, 2021 May 6, 2021	Allocation of Directors' Remuneration of the Company of 2020	Agreed and approved by all the members present	
	The Company's Allocation of Managers and Remuneration of 2020		

E. Information of members, and operation of the Nomination Committee

1. Specify the qualification, criteria, and duties of the Nomination Committee members

Qualifications and criteria of the Nomination Committee members:

The Nomination Committee consists of at lease three directors elected by the board of directors, and the majority of members shall be independent directors; one convener and chair is elected by members among themselves.

Function of Nomination Committee:

The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion:

a. Find, review and nominate candidates for directors and senior managers based on the professional knowledge, skills, experience, gender and other diversified backgrounds and independence needs of the Company's Board members and senior managers.
b. Construct and develop the organizational structure of the Board of Directors and committees, conduct performance appraisals of the Board of Directors, committees, and directors, and assess the independence of independent directors.
c. Formulate and review directors' continuing education plans and succession plans for directors and senior managers.
d. Other matters resolved by the Board of Directors to be handled by the committee.

2. The professional and experience of members, and operation of the Nomination Committee:
   a. There are five members in the Nomination Committee, and three of them are independent directors; the convener is Director, Hsiu-Lan Hsu; she has the expertise of operation and management, M&A, and corporate governance, meeting the professional ability required by the Committee.
   b. The office of this term of Remuneration Committee members is from November 5, 2020 to June 23, 2023; In the recent year, the Remuneration Committee had convened one meeting (A), and the attendance of independent directors are as following:

<table>
<tr><th>Title</th><th>Name</th><th>Professional qualifications and experience</th><th>Attendance in Person (B)</th><th>No. of presence by proxy</th><th>Actual attendance rate (B/A)</th><th>Notes</th></tr>
<tr><td>Convener</td><td>Hsiu-Lan Hsu</td><td rowspan="5">Please refer to the contents of “III. Corporate Governance Report / II. Directors’ Information / 4. Directors’ Professional Qualifications and Information Disclosure of Independent Directors’ Independence”.</td><td>1</td><td>0</td><td>100%</td><td rowspan="5">1st Term (Appointed on November 5, 2020)</td></tr>
<tr><td>Board member</td><td>Tang-Liang Yao</td><td>1</td><td>0</td><td>100%</td></tr>
<tr><td>Board member</td><td>Jin-Tang Liu</td><td>1</td><td>0</td><td>100%</td></tr>
<tr><td>Board member</td><td>Hou-Chung Kuo</td><td>1</td><td>0</td><td>100%</td></tr>
<tr><td>Board member</td><td>Shao-Lun Li</td><td>1</td><td>0</td><td>100%</td></tr>
</table>

Other mentionable items:
Specify the meeting date, session, proposal description, advice or dissent by the Nomination Committee member, the resolution of the Nomination Committee, and the Company’s treatment of the Nomination Committee’s opinions.

Nomination Committee of the Remuneration Committee	Content of motion	Resolution results	The Company's response to the Nomination Committee’s opinion
1st Term 1st March 18, 2021	Performance Evaluation of the Company's Board of Directors and Functional Committee	Agreed and approved by all the members present	Submitted to the Board meeting and passed upon approval of the whole present directors unanimously.

F. Promotion of sustainable development, and variance from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Did the company have established the governance framework for promoting sustainable development, and a dedicated (concurrent) unit in charge of promoting sustainable development, and the senior management is authorized by the board of directors for handling, as well as the status of board of directors' oversight?	V		The Company has established the "Corporate Sustainability Development Committee" in 2016 as the highest-level corporate social responsibility implementation organization for the Company. The Chairperson of the committee was originally held by the president, but was switched to the Chairperson of the board since June 2020 due to organizational changes. The committee members comprised of department heads in order to coordinate the development direction of the Company's corporate social responsibility and sustainability goals. In 2022, to be aligned with international development trends and high attention to ESG governance, the sustainability organization has been renamed as the "ESG Committee," and the chair of the committee will remain as the chairperson, to promote and deepen the implementation of sustainability goals. The ESG Committee is the highest-level sustainable management and supervision organization within Sino-US Silicon. In order to implement the promotion of activities in the environmental, social and governance aspects, the ESG Committee has set up professional committees (added as needed), and promotion committee are established in the early stage of project tasks for short-term goals. Two promotion committees are now established based on the needs, namely the Greenhouse Gas Inventory and Reduction Promotion Committee, and the TCFD Promotion Committee. After the project is completed, it will be transferred to each professional committee to integrate the concerned matters of each department and implement the Company's various sustainable issues, while regularly tracking and reviewing such. Every year, the chair reviews the performance and the achievement of goals and continuously reviews and improves. Through the joint division of works among various	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			departments, the implementation of corporate sustainability commitments are fulfilled. In addition, the committee has reported to the board of directors on August 5, 2021 regarding implementation priorities, annual goals and implementation results of the year. The Committee is supervised by the board of directors. In addition to the annual report by the chair to the board of directors on the implementation of sustainable development and the achievement of goals, it also reports ESG promotions to the board of directors every quarter. The board of directors supervises the goal-setting for sustainable development and reviews the implementation, while giving relevant advices and guidance based on the content of the report.	
II. Whether the company conducts business operations in accordance with the principle of materiality risk assessment of environmental, social and corporate governance issues, and formulates relevant risk management policies or strategies?	V		The Company has prescribed the "Risk Management Policy and Procedures" approved by the board of directors. The board of directors is the highest risk management unit, based on the overall operating strategies and operating environment, aims to comply with laws and regulations, promote and implement the Company's holistic risk management, and bear the ultimate responsibility for risk management; the senior management is responsible for planning, commanding, and deploying the implementation of risk management decisions by the board of directors, and coordinating interaction and communication for the cross-departmental risk management; each functional unit is responsible for analyzing, managing and monitoring related risks within their respective units; the internal audit is an independent unit that assists the board of directors to monitor the implementation of the risk management mechanism, to ensure the effective implementation of the risk control mechanism and procedures. The scope of risk management includes hazard risk, operational risk, financial risk, strategic risk, compliance risk/contract risk, environmental risk and other risks. Through the effective implementation of risk management processes (including risk	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			identification, risk measurement, risk monitoring, risk reporting, and risk response), the Company's risk management mechanism is realized. The Company's Corporate Sustainable Development Committee conducts risk evaluation on environmental, social and governance issues related to the Company operations based on the principle of materiality, establishes relevant risk management strategies to continue the identified three major emerging risks in 2020—climate change, information security and epidemic infectious diseases, and formulates corresponding risk strategies and execution mechanisms depending on the possible impacts on all aspects of the Company's operations, to ensure that risks have been effectively controlled. For the information about each risk and corresponding risk management strategies, please refer to the "Governance and Operations" section of the Company's Sustainability Report. The Company regularly assesses risks every year. The risk assessment boundary covers all the Company's operations and production bases, and the assessment is reported to the board of directors annually. The latest report was made to the board of directors on August 5, 2021.	
III. Environmental issues (I) Whether the Company establishes an appropriate environmental management system which suits its industrial characteristics?	V		The Company insists the promotion of ISO 14001 Environment Management System," and "ISO 50001 Energy Management System, "The Company introduces the concept of product lifecycles, and starts from improving the manufacturing process and product design stage in order to truly achieve reduction of source raw materials. The Company accommodates the environment and energy management system, to determine the goal of energy saving and material saving every year, while continuously implementing water recycling and waste reduction measures, to treasure resources and reduce uses of resources, and achieving the effect of reducing greenhouse gas emissions.	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			The Company abides by relevant domestic laws and regulations. Chunan plant and Ilan plant have passed and renewed the internationally recognized environmental and safety and health management system certification of ISO 14001 and ISO 45001 certification. The updated certifications information as below: ISO 45001 : 2018 Effective Date : 11 March,2022-11 March,2025 Approved Date : 17 February,2022 Certification No. : 196466-2016-ASA-RGC-JAS-ANZ ISO 14001 : 2015 Effective Date : 11 March,2022- 11 March,2025 Approved Date: 17 February, 2022 Certification No. : 196463-2016-AE-RGC-UKAS The company upholds the corporate social responsibility and aims to take care of environmental protection while serving customers, and provide a better and safer working environment. The implementation of ESH through the "compliance with laws and regulations, environmental protection, hazard prevention, continuous improvement, all staff awareness" policy. The company has obtained environmental management system, energy management system, and occupational safety and health management system certifications, meanwhile, the company is responsible for boosting and execution of environmental protection problems, safety and health affairs for environmental management by promoting the environmental protection concept, strengthening the educational training, saving energy and reducing carbon internally, fulfilling the environmental management policies and establishing the unit dedicated to managing labor safety and health affairs.	

(II) Whether the Company is committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental?	V		The Company, by promoting the "ISO 14001 environmental management system," has introduced the product life cycle concept in order to reduce raw material consumption and waste output, and achieve the goal of sustainable operation and environmental protection. To achieve the goal of sustainable utilization of environmental resources, the Company focuses on the improvement of the efficiency of the use of various resources, gives priority to the process reduction and reuse, and finally makes disposal; in the selection of raw materials, it will choose recycled materials with low impact on the environment as far as possible in order to reduce the impact on the environment. Please refer to the Company's Sustainability Report "Chapter III. Clean and Green Energy Environment."	No significant difference
(III) Whether the Company assesses the potential risks and opportunities of climate change to the company now and in the future, and take measures to deal with climate-related issues?	V		Mitigating the emission of greenhouse gas has become the key issue of the global economic development. In 2017, the Financial Stability Board (FSB) has published the Task Force on Climate-Related Financial Disclosures (TCFD). We have followed the 4 core elements (governance, strategy, risk management, indicators & goals) under the framework recommended by TCFD to reveal the climate change related information. The Company's ESG Committee (previous Corporate Sustainability Development Committee) members have collected the risk and opportunity information related to climate change, and incorporated the stakeholders' concerns. The ESG Committee team members would identify and score the topics, and report the results in the Corporate Sustainability Development Committee meeting held every year. The relevant team members would formulate the management practices and goals in response to the risks (major topics),and report the results to the latest board of directors meeting. For the related countermeasures, goals and information, please refer to the Company' Sustainability Report "Chapter I. Governance and Operation 1.3 Risk Management."	No significant difference
(IV) Whether the company counts greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy, carbon,	V		The Company inventories and tracks the volume of greenhouse gas emissions, water consumption, waste, the use of recycled materials, and power consumption every year. Please refer to the Company's Sustainability Report "Chapter III. Clean and Green Energy Environment"	No significant difference

greenhouse gas and water use reduction, or other waste management?			for the relevant data and coverage of information 1. Volumes of GHG emission, water consumption, and total weight of waste in the recent two years: (1) GHG emissions: unit: (ton/CO_2e)	

Factory	Chunan		Yilan	
Year	2020	2021	2020	2021
Direct emission (Scope 1)	26.807	296.615	741.066	1,721.059
Energy indirect emission (Scope 2)	15,799.849	23,015.56	21,294.734	18,257.555
Carbon Emission Quantity (Total emissions - including the emission from other scopes)	44,405.884	73,306.873	247,404.676	330,066.340

Note: The above carbon emissions were inventoried and verified based the 2018 version of ISO 14064 standards

(2) Water consumption: Unit (ton)

Factory	Chunan		Yilan	
Year	2020	2021	2020	2021
Water consumption	102,025	131,159	316,815	235,042

(3) Waste volume: Unit (ton)

Factory	Chunan		Yilan	
Year	2020	2021	2020	2021
Non-hazardous waste volume	396.19	559.11	2261.24	2010.18
Hazardous waste volume	1.40	2.05	5.08	1.46
Total waste volume	397.59	561.16	2,266.32	2,011.64

2. According to results of the organizational examination of greenhouse gas emissions, the main source of greenhouse gas emissions of the Company is electricity (Scope 2). Therefore, the reduction of electricity use and the improvement of energy efficiency are the top priorities of the Company at present. Starting from the core of the Company, by introducing the environmental management system and the energy management system, the Company promotes various energy-saving improvement measures to achieve the goal of energy saving and carbon reduction. The Company began to work with BenQ ESCO Corp. for energy since 2015, and successively introduced various energy-saving engineering improvement plans every year, such as plant air conditioning and cooling water frequency conversion control, air conditioning system engineering improvement, power-saving lighting replacement, and recovery of air compressor waste heat. In 2021, Chunan Plant introduced the ISO 50001 Energy Management System and passed the certification, and continued to optimize and improve energy management. In the same year, it applied for the Green Building Label with the "Carbon Reduction Benefit Evaluation Method," and obtained the Green Building Label Diamond Grade. The statistics collected for 2021 results of energy saving measures are shown in the table below (Chunan Plant + Yilan Plant).

Type	Measures	Total power savings (kWh)
Wastewater system	1. Adjust the aeration time of HF mixing tank and biological tank 2. Turn off the circulating water pump of the aerobic tank	515,995
Air compressor system	Add an external air conditioning box to lower the temperature of the air compressor room	64,494
Air conditioning system	1. Supporting the hot water pipelines of air conditioners with the hot water from process 2. Replacing energy-saving fans for cooling towers 3. Extending the air-conditioning duct of the packing station to support the pipe modification of the acid cleaning station	197,458
Improving exhaust system	Connecting two sets of main air ducts in parallel to shorten the air extraction distance and reduce pressure loss	41,175
Renewable energy	Install solar modules on the roof of the plant to generate electricity	1,125,051
Total		1,944,173

In addition to energy saving and carbon reduction, by promoting ISO 14001 Environment Management System, the Company has introduced the concept of product life cycle through the promotion of the new ISO 14001 environmental management system in other parts of environmental protection improvement, such as water saving and waste reduction, so that the reduction of raw materials at the source can be achieved from the improvement of process and product design stages. With respect to prevention of air pollution and water pollution, the company also works with the promulgation of the environment management system. Each year, goals for energy conservation, water conservation, waste reduction and resource saving are established in order to lower energy resource consumption while achieving results of reducing greenhouse gas emission. In the aspect of waste management, the traditional concept of clean-up and disposal is transformed into the concept of effective management of resources, so as to reduce the output of waste. Target setting for 2022, targets for 2021 and the achievement are shown in the following table:

Material topics	2021 Goals	Status of goal achievements
Pollution prevention	1. Chunan Branch reclaimed more than 50% of the waste water from the drilling process. 2 Quality of drained waste water in Yilan Branch improved - COD<200 mg/L (standard 480) - SS<150 mg/L (standard 320) - Nitrate Nitrogen < 40 g/L (standard 50)	1. Achieved the target 2. Achieved the target
Waste Management	Yilan Branch’s frequency of replacing active carbon in the organic air-pollution treatment system decrease 30% (lower generation of wasted active carbon)	Goals not achieved (the actual reduction was about 14%)

			3. Verification information (1) The Chunan and Yilan Plants has inventoried GHG based on the 2018 ISO 14064 standards from 2021, and have been verified by a third-party verification institution (DNV); the information of the statement is as following: Chunan Plant ISO 14064-1：2018 Inventory period: 1st January, 2021~ 31st December, 2021 Date of issuance: 8 April, 2022 Statement No.: 10000519023-2021-DNV-TWN Yilan Plant ISO 14064-1：2018 Inventory period: 1st January, 2021~ 31st December, 2021 Date of issuance: 13 April, 2022 Statement No.: 10000519022-2021-DNV-TWN (2) The Chunan Plant has been certified for ISO 50001 Energy Management System, the certificate information is as follows: ISO 50001：2018 Expiry: 21 February, 2025 Verification date: 22 February, 2022 Verification No.: 00001-2022-AN-TWN-TAF	
IV. Society issues (I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	V		The Company complies with all human rights disclosed by the United Nation conventions, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the Global Compact, the International Labor Convention, the Convention on the Elimination of All Forms of Discrimination against Women, and the Employment Services Act, the Company has formulated personnel appointment methods, clearly expressed the prohibition of child labor and related remedial measures; and strictly prohibited any illegal discrimination of employees, including race, class, language, thought, religion, party, native place, place of birth, skin color, age, gender, sexual orientation, marriage, appearance, facial features, nationality, disability,	No significant difference.

			pregnancy, trade union membership, and concealed veteran status in recruitment and actual work. The operation activities in respective countries comply with all local labor laws which include various acts preventing human trafficking and slavery systems. The Company implements safe working conditions, and will never tolerate any modern slavery, and insists that all commercial transactions, business relations, supply chain activities, personnel recruitment and appointment comply with ethical standards, with integrity as the top priority. It also provides relevant training courses for all employees to strengthen their awareness of human rights. The basic wages, working hours, vacations, pension payments, labor health insurance payments and occupational hazard compensation of employees in the Company comply with the relevant provisions of the Labor Standard Law. It has established the Staff Benefit Committee to handle various welfare matters through the Welfare Committee elected by the staffs. It regularly holds labor meetings to understand the ideas of both sides, in order to achieve a win-win situation. The Company voluntarily conducts risk assessments regarding human rights and labor rights pursuant to the regulations set by the “Responsible Business Alliance” every year to continuously improve the Company’s implementation, and also provides assessment reports to customers if requested by the customers. There have been no human rights incident complaints (forced labor, child labor, discrimination, harassment, and violation of freedom of association) from our operating locations in the past three years. In terms of training, new recruits will receive human rights training upon onboard; employees in service are arranged for courses on workplace violence, and sexual harassment prevention and promotion from time to time. In 2021, total 75 attendees attended and 476 training hours spent for the related courses.	
(II) Whether the Company legislates and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	V		The Company fairly decides and distributes employees’ remunerations from the annual profit, if any, for 3%~15%, as set for in the Articles of Incorporation, and the performance of individual employee pursuant to the “Employee Remuneration Distribution Procedures.” It seeks to properly reflect the operating performance or results on the employees’ remunerations.	No significant difference.

			The Company establishes the procedures of attendance, specifies the paid leaves entitled by employees. All employees of the Company are entitled to labor insurance, health insurance, group insurance, pension contribution and other fringe benefits. The fringe benefits include year-end bonus, gifts for birthday and festivities, year-end banquet, subsidies for matrimony, bereavement, and other celebration, domestic and international tourist traveling, emergency relief fund, scholarship, paternal subsidy, meals, and complete set of education and training. The Company also establishes the Employee Caring Program (ECP) team, to integrate and planning for the improvement of holistic employees' benefits through the cross-function team, so that any employee may select from proper resources to help when facing personal difficulties. In 2021, the trust of employee shareholding was also added. Employees may evaluate on their own whether to join or not, and participants are given rewards equal to 100% of the amount contributed by themselves. The Company is also committed to implementing a friendly and equal workplace environment, equal pay and work for both genders, with fair promotion opportunities. In 2021, female staff accounted for 27% of all employees, and female managers accounted for 32% of all management.	
(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?	V		1. The Company regularly inspects the working environment of employees, and conducts various safety and health education and training courses and health seminars based on the needs of employees, promotes anti-bullying in the workplace, annual physical checks of employees, and distribute health information to all employees weekly, to create a happy, healthy and safe workplace environment for each employees. 2. The Company's Chunan and Yilan Plants have passed the environmental and occupational safety management system validation, and have passed the new version of ISO 14001 and ISO 45001, to provide the employees with a healthy and safe working environment. Certificate information is updated as follows: ●ISO 45001：2018 Validity period: 11 March, 2022-11 March, 2025	No significant difference.

			Verification period: 17 February, 2022 Verification number: 196466-2016-ASA-RGC-JAS-ANZ ●ISO 14001：2015 Validity period: 11March,2022-11 March,2025 Verification period: 17 February, 2022 Verification number: 196463-2016-AE-RGC-UKAS The Company insists a healthy and safe working environment, and fulfills the responsibility of environmental protection and green operation as the Company's business goals. It seeks to serve customers while protecting environment, and provide a better and safer working environment. Through commitments such as "compliance to laws and regulations, control of risks, consultation and participation, green operation, and continuous improvement," the environmental, safety and health policies are implemented, and incorporate measures such as energy-saving and carbon reduction, pollution prevention, and waste reduction into daily operations, to implement environmental protection and management of the production process. In addition, meetings of occupational safety and health committees are held quarterly in various plants to discuss about safety and health management plan, improvement and response measures of working environment determination, safety and health education and training, safety and health audit, safety and health management performance, accident propaganda and prevention, health management and promotion and other matters. The matters discussed about in the meeting are recorded, and continuously tracked and improved. 3. In 2021, the Company has no incidents of death, occupational disease, or major occupational disasters caused by work. There were five recordable occupational injuries (excluding employee commuting accidents): two injuries of pinching, and stamping, one for stomping, falling and cutting each. According to the definition by the Ministry of Labor, the disability injury frequency rate (FR) is 2.30, and the disability injury severity rate (SR) is 23. We have conducted special investigations for each occupational disaster incident, and taken improvement	

			measures (such as improving facilities/equipment, establishing systematic document specifications, or strengthening personnel education and training) based on the root cause of the incident, and provided training to other departments to prevent similar incidents from occurring again. Please refer to the Company's Sustainability Report “Chapter IV. Great work place and society.”	
(IV) Whether the Company establishes some effective career development training plan for employees?	V		Each year the Company establishes annual education training program based on our operation strategies and short/mid/long term goals, and consider talent cultivation and technology inheritance as our key task. We strengthen our talent database in order to keep track of the talent dynamics and development direction in the group. We host various types of training courses, academia-industry collaboration and research projects, in order for our employees to stay tuned to real-time global political and economic trends and status, technology updates, while supplementing the training with job substitutes, job rotation and on-the-job training to strengthen different professional capacity of our employees. The Company provides diversified training system encompassing the following five categories: competency training for new recruits, professional competency training, general management competency training, intellectual property training, and health and safety management training. This system provides suitable training courses for employees in their different stages of career development, so that the Company and employees will be adaptive to the ever evolving world, and own the knowledge, skills, and capabilities go along with the time. In 2021, total 57 classes of function training for new recruits were conducted, attended by 75 persons, with total 476 hours; 831 classes of professional function training were conducted, attended by 17,589 persons, with total 1,589 hours; 105 classes of general function training were conducted, attended by 1,251 persons, with total 159 hours.	No significant difference.
(V) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated	V		The Company's products and services complies with the relevant regulations and standards applicable to the Company’s industry; through the supplier management, it is ensured that the products from the supply chain fully conform to the industrial standards and policies like RoHS, REACH, WEEE, among other things, to fulfill the social and environmental	No significant difference.

relevant consumer protection policies and appeal procedures?			responsibility; the Company is also committed to comply with product standard and operational regulations in plants required by customers, to achieve the promises with full force, and maintain quality relationships. The Company also has a legal compliance unit in place, to ensure that commercial conditions, products, processes and services to meet the requirements of competition laws and relevant export control regulations with jurisdiction. Before working with any customer, the Company shall sign a non-disclosure agreement (NDA) approved by the legal department, and personnel shall not breach the contracts entered with the Company by disclosing the known trade secrets to others, nor shall they inquire or collect trade secrets not related to their duties, in order to fully protect the confidential and sensitive information of both parties. The Company has established the "Procedures of Customer Complaints Management" to maintain good communications with its customers, as well as effective appealing procedures regarding products and service.	
(VI) Whether the company formulates supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	V		The Company has established the "External Supplier Evaluation and Appraisal Procedures", including written reviews, on-site evaluations, monthly evaluations, process monitoring, qualification evaluation and continuous evaluation and assistance, and regularly or from time to time audits suppliers. There is also an annual evaluation mechanism for performance evaluation. The Company requires suppliers to sign the "Supplier's Code of Conduct and Supplier Commitment Letter," requiring suppliers to adopt the same standards as the Company in terms of anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, and non-infringement, and addresses that the suppliers are obliged to observe the regulations applicable to their business activities. In the "purchase order," the Company also requires the suppliers to comply with the Responsible Business Alliance (RBA), including the requirements of green regulations such as RoHS, REACH and WEEE, and not to use the conflict minerals, promotions of engagement in green procurement, environmental protection, and occupational safety and health, intellectual property rights, and labor human rights.	No significant difference.

V. Does the Company refer to international reporting rules or guidelines to prepare Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	V		1. The Company refers to the core indicators of the "Sustainability Reporting Standards" issued by the Global Reporting Initiative (GRI) and the indicators for semiconductor industry in the "Sustainability Accounting Standards" issued by the Sustainability Accounting Standards Board (SASB), as well as the "Compiling the sustainability report in accordance with the category indicators of the semiconductor industry and the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" to prepare the Company's sustainability report. 2. The Company's 2021 Corporate Social Responsibility Report was inspected by DNV GL Business Assurance Co., Ltd. It complies with the core options in the GRI Standards, and the requirements for moderate level of assurance. The Sustainability Report and verification statement are disclosed on MOPS and the Company's website.	No significant difference.
VI. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: The Company has established the "Sustainable Development Best-Practice Principles" and devoted to promote the sustainable development, which has no significant difference with the Rules.				
VII. Other important information to facilitate better understanding of the Company's promotion of sustainability development: 1. Environmental protection: It is everyone's responsibility to promote environmental protection and low-carbon activities. In addition to strengthening energy-saving management and control of the process, the Company actively implements waste classification and resource recovery, promotes energy saving and carbon reduction, and has energy-saving and carbon-reduction equipment expenditure. 2. Social welfare: Social welfare activities participated by the Group in 2021 include (1) "Send love to rural villages - stacking your love to repair Shilei" event, donated total NT$347,000 to Shilei Elementary School in Jianshi Township, Hsinchu County. (2) "Bath in Scent for Hot Summer" event, donated total NT$420,000 to the Hsinchu County Branch of the Red Cross. (3) "Love Breakfast Adoption" event, donated total NT$141,000 to Chuxing Elementary School and Chunan Elementary School in Miaoli County. (4) "Endless Generations Project - Fostering Children in Taiwan Fund for Children and Families" and "Afternoon Tea/Charity Sale of Crafts" events, donated total NT$405,000 to Yilan Center of Taiwan Fund for Children and Families				

(5) Events including “Public Welfare in the Pandemic - Food Box of Love,” “Accompanying them - College Student Education Aiding Program,” “Warm Winter Garden Party - Love is Limitless,” donated total NT$568,000 to Hsinchu Center of Taiwan Fund for Children and Families.

(6) “Consultation and Care Program for Peace of Mind from the Epidemic,” donated a total of 54,000 yuan to Hsinchu Lifeline Association.

(7) “Support in the Pandemic - Assistance Fund for Underprivileged Family with Special Circumstance” and “2022 Emergency Medical Subsidy Program,” donated total NT$428,000 to Yilan branch of World Vision Taiwan.

(8) “Raising funds for supports in cold winter,” donated total NT$14.1,000 to Miaoli Center, Taiwan Fund for Children and Families

(9) The Mid-Autumn Festival moon cake donation charity event, donating to Holy Family for Special Education, Shi-Guang Correctional Institution, Hua Guang Intelligent Development Center, and Private Xiang Yuan Memorial Correctional Institution, totaling NT$90,000

(10) The Group held the welfare event, “Friendly Earth-You and Me, Hand in Hand” beach cleaning and forest protection activity at Chunan Longfeng Fishing Port Beach, calling on 123 people to participate and cleaning up about 500 kilograms of garbage.

3. Consumer rights: For customers, the Company has internally established the “Customer Complaint Management Procedure” to provide customers with a channel to express their complaints, and externally signed contracts such as supply contracts and quality contracts with its customers, in order to fully ensure customer's rights and interests.

4. Human rights: The Company attaches great importance to human rights. Regardless of race, gender and age, employees enjoy the same right to work, and the Company also provides opportunities for free expression and development to standalone, in order to achieve respect for personal dignity.

5. Safety and health: With zero disaster as the goal, the Company is committed to the promotion of safety and health policy and the continuous improvement of process and working environment. Through the joint efforts of all staffs, we continuously improve the occupational safety and health performance.

6. Employee health care: The Company carries out health examination for employees each year to let them know their health status each ear, and then care for and strengthen their health. We also arrange professional medical specialists to visit our plant every month for consulting services. In the workplace, in order to grasp the status of employees' working environment and assess the exposure status of hazard factors, besides setting detection and alarm equipments at appropriate positions, work environment test is also done regularly as a basis for improving the workplace environment.

7. Plant pandemic prevention: In 2021, the world has been still under the disturbance of COVID-19 pandemic, the Company monitored the pandemic evolution via the internal pandemic containment panel, and took the plant pandemic prevention measures. Under the side-by-side cooperation of various departments, pandemic prevention operations in the plant area were fully undertaken; the pandemic prevention strategies were formulated, and the management of hierarchical measures and inventory of resources for pandemic prevention were carried out. The Company has regularly held meetings to formulate pandemic prevention measures, to ensure healthy and safe workplace. The relevant pandemic prevention measures are as follows:

(1) Pandemic prevention information: in order to enable employees to correctly grasp the real-time information of pandemic prevention, the health management center regularly issues global pandemic information and in-plant pandemic prevention measures, so that employees may quickly receive correct pandemic prevention information.

(2) Health monitoring: Full body temperature monitoring is carried out at the accesses of each plant. If there is a fever or a history of suspected contact, entry into the plant is completely prohibited, and an internal electronic questionnaire survey will be conducted simultaneously with the central command center to track the confirmed case's footprint, as implementing the initiative of employees' report and voluntary health management.

(3) Visitor management: use emails and paper fliers to advocate on-site epidemic prevention measures to supply chain manufacturers, require visitors to fill-in the health declaration form before entry, and wear masks to protect the safety of employees.

(4) Office epidemic prevention: To prevent the infection risks due to crowd gathering, office workers have taken a number of contingency measures such as: crisscross seating, cabin separation, traffic flow diversion, and work from home in order to minimize crowd gathering and reduce the frequency of employee contact.

(5) Safe dining environment: The Company has planned epidemic prevention dining lines, table plastic partitions, disposable lunch boxes, and divided the dining area by units to ensure worry-free meal dining safety in the plants.

(6) Disinfection in the plants: The Company has formulated public area disinfection and cleaning measures, increase internal ventilation, encourage staff to open windows at confined spaces, affixed adhesive films on top of frequently used buttons, added partitions in restaurants, increased dry-cleaning equipment, and posted correct hand-washing instructions in all restrooms.

(7) Employee care: For high-risk groups, tracking is taken and the temperature re-examination and follow-up control is conducted. The outpatient services of psychologists is provided when necessary to help employees resolve negative emotions and stress.

G. The Company's Performance of Ethical Corporate Management and the Measures Taken

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company formulated the ethical corporate management approved by the Board of Directors, and stated in the regulations and external documents the policies and practices of ethical corporate management, as well as the Board and senior management's commitment to actively implement the management policy?	V		(I) The Company has the "Ethical Corporate Management Best-Practice Principles," "the Code of Ethical Conduct", as the guidelines adopted by the Board of Directors and "the Operational Procedures and Guidelines for Ethical Corporate Management" approved by the chairperson and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct" to pursue ethical operation. The Company's standard contracts and external documents have informed the transaction counterparts to abide by the integrity management policy; the Board of Directors and senior management have signed a written statement to actively implement the commitment of the integrity management policy, and the Company has indeed implemented in internal management and business activities, including employment by specifying conditions to require employees to abide by the integrity management policy.	No significant difference.
(II) Whether the Company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, and at least covers the "Ethical Corporate Management Best Practice	V		(II) In the "Integrity Management Operating Procedure and Action Guideline", the Company has established the risk assessment mechanism for the unethical conducts listed in Article 7, Paragraph 2 of the "Code of Integrity Management," including the data collection through the annual compliance self-assessment, qualitative interview, and tracking of emails by the IT department, for regular analysis and assessment, to identify these	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
Principles for TWSE/GTSM Listed Companies " Article 7, paragraph 2 of the prevention measures?			who with higher risks, and conduct individual investigation if required, with assistance of the audits from the internal audit units. So that the preventive programs to forbid offering and accepting bribery, providing illegal political donation or improper benefits, infringement of intellectual property rights, and unfair competition may be established, to ensure the Company's operation is consistent to the Ethical Code of Integrity Management. Within the scope of business activities, all employees are obliged to cooperate with the compliance office for the investigation related to the said unethical conducts.	
(III) Whether the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) The Company's plan for preventing dishonesty in accordance with "the Ethical Corporate Management Best-Practice Principle"" includes "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct ", and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct" which clearly regulate no acceptance to any unrightful benefits, or to commit behaviors that violate integrity, and to encourage the reporting of any illegal or ethical conduct violations, the Company also stipulates the importance of integrity should be regularly announced to directors and employees. The above plan regularly reviews the appropriateness and effectiveness of the prevention plan according to the method set by the risk assessment mechanism of dishonesty behavior, and makes appropriate adjustments or amendments.	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
II. Fulfill operations integrity policy				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) The Company's "Ethical Corporate Management Best-Practice Principles" has clearly stated that before business transactions, the legality of business transactions and whether there is dishonesty should be considered, and transactions with persons involved in dishonesty should be avoided. In addition, according to the Company's "Procedures for Ethical Management and Guidelines for Conducts", it is necessary to undergo an integrity operation evaluation before establishing a business relationship with others. The customers evaluation (and its distributors/agents) is conducted by sales department; The suppliers' evaluation (and its distributors/agents) is conducted by purchase department. The integrity management evaluation form is written and quantified; the contract signed with the business transaction partners should specify the integrity management clauses to ensure that the counterparty abides by the company's integrity management policy.	No significant difference.
(II) Does the Company set up a special unit for promoting corporate integrity management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its integrity management policies and plans to prevent dishonesty, and monitor implementation?	V		(II) The company has established its own Legal Compliance unit in the Legal Department, which is responsible for coordinating the development and supervision of the implementation of the integrity management policy and the prevention of dishonesty behaviors, and supervise the implementation. The Legal Compliance manager reports their finding to the Board of Directors once a year. If any abnormalities are found, they may also report to the board of directors at any time. Implementation Status of Current Year:	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			A. Establishing and reviewing policies related to ethical corporate management The Company has set up the “Ethical Corporate Management Best-Practice Principles”, “Code of Ethical Conduct” and “Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct”, which clearly stipulates no acceptance to inrightful benefit, or violate integrity or dishonesty; the above internal regulations are examined by the legal compliance department with reference of changes in external regulations and the internal implementation, and are adjusted and revised from time to time. B. Internal and external advocacy of Company policies Relevant important internal regulations such as the “Ethical Corporate Management Best-Practice Principles”, “Code of Ethical Conduct” and “Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct” have been announced on the Company’s official website and internal websites for inquiries from external and parties. In addition, the company requires suppliers to sign the “Supplier Code of Conduct and Supplier Commitment” which request suppliers to act in compliance with legal, ethical, environmental and quality standards, and the content of the standard contract signed with business partners also includes the relevant provisions for compliance with honest business practices.	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			C. Reporting channel and whistleblower protection The company has set up the ”Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct”, established a disciplinary and appeal system for violations of the integrity management regulations, and set up and announced employee suggestion boxes, electronic mailboxes and complaint hotline to encourage internal and external personnel to report dishonesty or misconduct. The company allows anonymous reports. The identity and content of the reporter will be kept confidential, and the human resource department will be responsible for verification and handling. Anyone who violates the integrity management regulations will be punished based on the seriousness of the circumstances, and if necessary, the matter shall be reported to the competent authority or transferred to the judicial bureaus for investigation. D. Education and training The Company formulates and conducts training regularly. The attendees and hours of trainings in 2021 are listed as the following: 1. One hour of education and training was conducted for all directors, management a department level or higher, President office, and new employees on the “Insider Education and Training.” The contents include insider trading law analysis	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			(constitutive elements, major news disclosure method and time period, judicial opinions) and insider equity transfer law analysis (The obligation to declare before/after the event, and maintaining the number of shares held by directors and supervisors); 2. A two-hour of "Ethical Corporate Management Training" for all directors, managers at department level or above, and new recruits was conducted; the content includes trade secret protection, issues of competition law, anti-bribery and corruption, conflict of interest prevention, and KYC/export control, among other major compliance issues closely related to the technology industries. 3. A 20-minute training was conducted on "the case of Largan v. Ability Opto-Electronics for infringement on Trade Secrets" for the managers in the solar energy business system; the content included an introduction to the Trade Secrets Act, an analysis of the violations in the case, and the enlightenments (Dos and Don'ts).	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(III) The company stipulates in the "Code of Ethical Conduct" that the personnel of the company should do business in an objective and efficient manner, avoiding the abuse of positions in the company to prevent their own, others or other companies from obtaining improper interests. In addition, the "Procedures for	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			Ethical Management and Guidelines for Conduct” specifies how to recurse when there is a conflict of interest in the Board. In addition, the conflict of interest channels provided by the company are different according to the subjects as follows: Directors or Independent Directors should do so to the president's office or the chief of corporate governance; managers should do so to the legal compliance department; other employees shall report to the line manager and compliance, and follow the line manager’s proper instruction.	
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit has formulated relevant audit plans based on the results of the assessment of the risk of dishonesty, and checked the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	V		(IV) The company has established and implemented the accounting system and internal control system which are audited by internal auditors on a regular basis pursuant to the audit plan that includes the subject, scope, item and frequency based on the results of the assessment of the risk of dishonesty to inspect the prevention actions effectiveness. The results shall be notified to the senior management team and the responsible department of ethical operation and be submitted to the Board of Directors in the form of audit report. In addition, the Company conducts inspections and revisions every year to ensure the effectiveness on the design and implementation of the system, and establish good corporate governance and risk management control mechanisms to serve as the basis on evaluating the overall efficacy of all internal control systems and for producing Internal Control System Statements.	No significant difference.
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(V) The Company regularly formulate and conduct trainings, including laws and regulations related to corporate governance, ethical management, and	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			business conducts. For "ethical management" and "prevention of insider trading" courses, the current directors, managerial officers, or other employees deemed in need of such trainings shall attend at least every two years. New directors and managerial officers shall attend within three months upon taking positions. New employees shall attend in the consolidated orientation prepared by the human resources. In addition, pursuant to the "Integrity Management Operating Procedure and Action Guideline," the Chairperson and the corporate governance officers are arranged to communicate the importance of ethic to directors, managerial officers, and supervisors in the Board meetings or supervisors' meetings. The relevant training courses provided in 2021 include "Insider Education and Training," "Ethical Corporate Management Training," and "the case of Largan v. Ability Opto-Electronics for infringement on Trade Secrets." For the specific descriptions, please refer to the description in above (II) (4). The total cumulative attendees of these courses were 193.	
III. Operation of the integrity channel (I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(I) The Company has established the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct", set up an employee suggestion box and email, complaint hotline, principles in handling sych matter and channel for external whistleblowing in order to fulfill good faith practice. Whistleblower cases are handled by the company's spokesperson, HR manager or legal personnels, the case will be transferred to relevant departments for investigation after registration and processed purchant to "Reporting	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct." Appropriate rewards will be given to whistleblowers depending on the severity of the case.	
(II) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		(II) The Company stipulates "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct" and specifies different investigation, procedure based on different cases and the accused. The whistleblowing case will be processed in the principles of confidentiality, full protection of the whistleblower, offering defense chance for the accused, etc to secure the rights of both whistleblowers and the accused. If the whistleblowing case is verified to be true, the whistleblower will be immediately required to stop and impose appropriate countermeasures, and instruct the relevant departments to review and propose improvement measures to prevent the same behavior from happening again; the legal department will separately report the whistleblowing case, handling and follow-up to the board of directors.	No significant difference.
(III) Does the Company provide proper whistleblower protection?	V		(III) The Company handles whistle-blowing cases in a confidential manner in accordance with the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct", and offers full protection to the whistleblowers. Their identity will be kept absolutely confidential and will not face mistreatment due to the whistleblowing. The staff who handles the case will issue a written statement stating that the identity of the whistleblower and the content of the report will be kept confidential.	No significant difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
IV. Enhanced information disclosure (I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		(I) The Company has an official website that disclose relevant information such as corporate culture, business policies and the "Ethical Corporate Management Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct" and the Company's implementation on good faith management.	No significant difference.
V. If the company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the policies and their implementation: The Company has established the "Ethical Corporate Management Best-Practice Principles" which clearly regulates the matters to be followed by the Company's staff. Other accusation cases and penalties are also clearly set out in relevant measures. There is no significant difference between the policies and the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies."				
VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (under situations such as review and revision of regulations): 1. The Company complies with Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest as well as relevant regulations for the listed companies or other business entities as basic premise for fulfilling good faith management. The Company also fully dedicates in environmental and quality policies by adopting high standards. 2. The Company has set up the "Regulations Governing the Prevention of Insider Trading" which stipulated that directors, supervisors, managers and employees must not disclose any material information to others. They must not inquire or collect undisclosed material information within the Company that are not related to personal duties, and shall not disclose to others any undisclosed material insider information that is not obtained from the execution of business activities during discussion and voting on that item and may not act as another director's proxy to exercise voting				

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

rights on that matter.

3. The Company has set up the "Regulations Governing the Prevention of Insider Trading" which stipulates that upon actually knowing of any material information, the insiders, quasi-insiders and tippees shall not purchase or sell shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure in case accidentally violate insider trading because they are not familiar with the regulations. In addition, to cope with the announcement of TWSE on December 8, 2021 regarding the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," before the publication date of the annual report, the board of directors approved to amend the "Management Procedures to Prevent Insider Trading," adding the restriction that the directors, managerial officers, and the natural persons appointed as a proxy to exercise duties specified in Paragraph 1, Article 27 of the Company Act, are forbidden to trade their shares during the lock period from 30 days prior to the announcement of annual financial statements, and 15 days prior to the announcement of quarterly financial statements. The Company requested the President Office to inform the persons subject to the provisions the lock period forbidding trading after arranging dates of board meetings; the President Office also review the compliance of the concerned persons when reporting the equity every month.
4. The Company stipulates "Procedures for Handling Material Inside Information" to establish sound mechanisms for the handling and disclosure of material inside information in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public. The procedure regulates that no director, supervisor, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others, nor inquire about or collect any non-public material inside information of this Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.
5. On November 4, 2021, to cope with the practical demands for operation and management, the fifth amendment to the "Code of Ethical Conduct" was approved by the board of directors, adding the provisions regarding reporting the destruction of public assets and the handling thereof, to implement the protection of the Company's assets, and increase the attentions of employees when using the Company's assets, so that the Company's assets may be effectively and legally used for the Company's business, and the operating expenses are not increased due to negligence.

Note 1: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

H. If the Company has formulated code of corporate governance and related regulations, it should disclose its inquiry methods: If the Company has formulated code of corporate governance practice, the relevant measures are implemented in accordance with the spirit and norms of "the Code of Practice for Corporate Governance of TWSE/TPEx Listed Companies." Please refer to the Investor Service Area on the Company's website (http://www.saswafer.com).

I. Other important information sufficient to enhance understanding of the operation of corporate governance should be disclosed together:
   1. MOPS: http://mops.twse.com.tw
   2. Website of the Company:
      http://www.saswafer.com Investor Area Directors' continuing education.
   3. Directors' continuing education:
      The Board of Directors of the Company had all complete their further education according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" specification

Title	Name	Training date	Sponsored by	Training Course	Number of Training Hours
Chairperson	Hsiu-Lan Hsu	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Director	Ming-Kuang Lu	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	3
		October 28, 2021	Taiwan Corporation Governance Association	Practical operation of incentive tools for the employees of the public companies	3
Director	Tang-Liang Yao	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Director	Wen-Huei Tsai	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Director	Feng-Ming Chang	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Director	Representative of Kaijiang Corporation: Hau Fang	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	3
		September 15, 2021	Digital Governance Association	Seminar on Responsibility and Risk Management of Directors and Supervisors	3
Director	Representative of Kunchang Investment Corporation: Ou, Guang-Ying	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6

Title	Name	Training date	Sponsored by	Training Course	Number of Training Hours
Independent Director	Jin-Tang Liu	March 15, 2021	Taiwan Corporation Governance Association	ESG/CSR and sustainable governance as the mainstream in 2021	3
		August 31, 2021	Taiwan Corporation Governance Association	Avoiding climate disaster: opportunities and challenges for corporates	1
		September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
		September 16, 2021	Taiwan Corporation Governance Association	Case study of hostile merger, fight for management rights, and countermeasures	3
		October 26, 2021	Taiwan Corporation Governance Association	Distance between directors and the responsibility of fake financial statements	1
		February 25, 2022	Taiwan Corporation Governance Association	2022 Global and Taiwan’s economic outlooks	1
Independent Director	Hou-Chung Kuo	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Independent Director	Shao-Lun Li	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	3
		September 15, 2021	Digital Governance Association	Seminar on Responsibility and Risk Management of Directors and Supervisors	3

4. Managers' Training on Corporate Governance

Title	Name	Training date	Sponsored by	Course Name	Number of Training Hours
President	Tang-Liang Yao	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Accounting Supervisor	Hsiu-Ling Hsu	December 13-21, 2021	Accounting Research and Development Foundation	Continuous Training Course for Accounting Supervisors of Issuers, Securities Dealers and Stock Exchanges	12
		December 22, 2021	Accounting Research and Development Foundation	Continuous Training Course for Accounting Supervisors of Issuers, Securities Dealers and Stock Exchanges	3

Audit Supervisor	Chi-Ya Liu	August 31, 2021	Computer Audit Association	The technology to obtaining evidence in massive data that breaks through the audit sampling	6
		November 17, 2021	The Institute of Internal Auditors—Chinese Taiwan	How to apply digital technologies to explore and improve the operating process and detect fraud - discussion of audit practice	6
Corporate governance officer	Ming-Huei Chien	September 1, 2021	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
		September 15, 2021	Taiwan Corporation Governance Association	Seminar on Responsibility and Risk Management of Directors and Supervisors	3
		October 18, 2021	Taipei Exchange	The advocacy conference on Insider Shareholdings in TPEx Listed Companies	3

J. Internal Control System Execution Status

1. Statement of Internal Control System

Sino-American Silicon Products Inc.

Internal Control Disclosure Statement

Date: March 17, 2022

Based on the findings of a self-assessment, Sino-American Silicon Products Inc. states the following with regard to its internal control system during the year 2021:

I. Sino-American Silicon Products incorporation's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Sino-American Silicon Products Inc. takes immediate remedial actions in response to any identified deficiencies.

III. Sino-American Silicon Products Inc. evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.

IV. Sino-American Silicon Products Inc. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the findings of such evaluation, Sino-American Silicon Products Inc. believes that on December 31, 2021, we have maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.

VI. This Statement will be an integral part of Sino-American Silicon Products incorporation's Annual Report for the year 2021 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

VII. This Statement has been passed by the Board of Directors in the meeting held on March 17, 2022, with none of the ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Sino-American Silicon Products Inc.

Chairperson: Hsiu-Lan Hsu
President: Tang-Liang Yao

Note 1: Design and implementation of a public company's internal control system, as there are significant deficiency in the year, the internal control system statement should be added explanatory note in the Article 4 that list and explain the significant lack discovery of self-assessment, and the company taken the corrective action to improve the situation before the data of balance sheet.

Note 2: Date of declaration as " the end of fiscal year ".

2. Internal audit organization and operation

   The auditing unit of the Company is affiliated to the Board of Directors, and the appointment or removal of the chief internal auditor must be examined by the Audit Committee and sent to the Board of Directors for approval. The Company should report by the Internet Information System for reference in accordance with the provisions of the Financial Regulatory Commission 10 days in the next month after the approval of the Board of Directors. There is currently one chief internal auditor (department manager) and two auditors.

   The auditing unit makes an annual audit plan based on the results of risk evaluation, including items to be audited each month. It does carry out audit operations in accordance with the annual audit plan, so as to check the internal control system of the Company.

   The Company has set up an Audit Committee, all of which are composed of independent Directors. When submitting the annual audit plan to the Audit Committee for discussion according to regulations, the opinions of independent Directors have been fully taken into account. After each audit, the audit report is made, and the working manuscript and related information are attached. The deficiencies and improvement suggestions will be reported to the management. The audit findings are disclosed in the audit report according to the facts and tracked after the report has been audited at least on a quarterly basis. A tracking report is made until improvement, in order to confirm that the relevant units have taken appropriate improvement measures in time. Members of the Company's Audit Committee communicate well with the chief internal auditor.

   The Company's CPAs report the results of the audit or review of the current quarter's financial statements at quarterly meetings of the Audit Committee, as well as other communication matters required by relevant laws and regulations. Members of the Company's Audit Committee communicate well with CPAs.

3. CPA audit report should be disclosed If CPA is entrusted to perform internal audit: Not applicable.

K. Punishment of the Company and its internal personnel according to law, the Company's punishment of internal personnel due to the violation of provisions of the internal control system, the main deficiencies and improvements in recent years and up to the date of publication of the annual report: None.

L. As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting:

1. Important resolutions and implementation of 2021 Shareholders' Meeting (August 26, 2021):

Important resolutions	Implementation Status
1. The revision of the Company's "Articles of Incorporation."	Approved by the Hsinchu Science Park Bureau of the Ministry of Science and Technology on September 2, 2021after the resolution of the shareholders' meeting, and implemented according to revised provisions.
2. Approval of the amendments to the "Procedures for the Election of Directors"	After the resolution of the shareholders' meeting, the new revised provisions were implemented.
3. The revision of the Company's "Procedures for Acquisition or Disposal of Assets."	After the resolution of the shareholders' meeting, the new revised provisions were implemented.
4. Amendment to "the Operational Procedures for Engaging in Derivative Trading" was approved.	After the resolution of the shareholders' meeting, the new revised provisions were implemented.
5. To meet the Company's financial needs, it is proposed to handle public or private offerings of securities.	The Board of Directors approved it officially on March 17, 2022. It will not be dealt with due to the consideration of the whole fund.
6. The recognition of the Business Report and Financial Statements of 2020 was approved.	Resolve by the General Shareholders' Meeting

2. Important resolutions of the Board of Directors:

Date	Important resolutions
March 18, 2021	1. Audit Business Report. 2. Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2020. 3. The Company's Business Report and Financial Statements of 2020 4. Amendment to the Company's "Articles of Association." 5. Amendments to the "Procedures for the Election of Directors." 6. Amendment to the Company's "Treatment Procedures for Acquisition or Disposal of Assets." 7. Amendment to the Company's "Treatment Procedures for Making Transactions of Derivative Commodities." 8. Discussion about Non-handling of the Issuance of New Shares by Capital Increase of Private Equity upon Expiration. 9. Discussion about Dealing with Public or Private Offerings of Securities to Meet the Company's Financial Needs.

	10. Relevant Matters Concerning the Agenda and Accepting Proposals from Shareholders for the Convening of the 2021 General meeting of Shareholders. 11. Declaration of Internal Control System of 2020. 12. Loaning of Funds to Sub-subsidiaries. 13. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 14. The Company's 2020 Certified Fees of CPAs. 15. The Company sets up a subsidiary. 16. Motion for Promotion.
May 6, 2021	1. Audit Business Report. 2. The Company's Consolidated Financial Quarterly Report for the First Quarter in 2021. 3. The 2020 earning distribution table and the proposal of the earning distribution for the latter half of 2020. 4. Amendment to the Company's Xuxin branch “Internal Control System.” 5. Serving as Guarantor for Loan of Subsidiaries from a Financial Institution. 6. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 7. Amendment to the Company's “Articles of Association.” 8. To accommodate the first issuance of overseas unsecured convertible corporate bonds by the subsidiary, GlobalWafers, it is proposed to sign the promissory note of major shareholder. 9. Allocation of Directors' Remuneration of the Company of 2020. 10. The Company's Allocation of Managerial Officers’ Remuneration of 2020.
June 23, 2021	1. Proposal to sell raw materials to subsidiary. 2. The Company's Reinvestment. 3. Serving as Guarantor for Loan of Subsidiaries from a Financial Institution. 4. Loan of Funds to Subsidiaries.
August 5, 2021	1. Report on the Implementation of the Internal Audit Plan 2. Proposal for the Company’s consolidated financial statements of Q2 2021. 3. Report on the Implementation of the Corporate Sustainable Development Committee of the Company. 4. Common formats of insiders’ disgorgement of short-swing profits, and promotion of case study. 5. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 6. Loan of Funds to Subsidiaries of Power Plant. 7. Intention to issue Letter of Support by the Company. 8. The Company and the subsidiaries’ overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others. 9. Amendments to the Company’s “Accounting System.” 10. Determine the time, venue, and related matters for the postponed convention of 2021 AGM.

	11. Proposal of SAS' application to join the RE100, the global corporate renewable energy initiative (100% utilization of renewable energy).
September 23, 2021	1. The Company Intending to Subscribe the Private Unsecured Ordinary Corporate Bonds of Crystalwise Technology Inc.
November 4, 2021	1. Report on the Implementation of the Internal Audit Plan. 2. Report on reinvestments. 3. Report on the Renewal of Directors' and Managers' Liability Insurance Contracts. 4. The Company's Report on the Implementation of Ethical Corporate Management of the year. 5. Report on the annual execution of the intellectual property management. 6. Report on the climate change issues and promotion of ESG information disclosure. 7. Proposal for the Company's consolidated financial statements of Q3 2021. 8. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 9. Discussion of the 2022 internal audit plans. 10. Proposal to establish the "Risk Management Policy and Procedures." 11. Amendments to the Company's "Code of Ethical Conduct." 12. Amendment to the Company's "Measures for Compliance." 13. The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others. 14. Loan of Funds to Subsidiaries.
December 9, 2021	1. Establish the 2022 business plan. 2. The Company's earnings allocation for the first half of 2021 3. Discussion about Cash Giving by Capital Reserve. 4. Intention to issue Letter of Support by the Company. 5. Proposal to dispose of shares of an investee. 6. Coping with the internal adjustment of the accounting firm, proposal to replace the CPAs. 7. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 8. Amendment to the Company's "Measures for Business Accountability." 9. Amendment to the "Self-Discipline Standards for Disclosing Information on M&A." 10. Amendment to the Company's "Management Measures for Managerial Officers." 11. Proposal to appoint the R&D Head.
March 17, 2022	1. Audit Business Report. 2. Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2021. 3. The Company's Business Report and Financial Statements of 2021 4. Amendment to the Company's "Articles of Association." 5. Revision of the Company's "Procedures for Acquisition or Disposal of Assets."

	6. Amendment of the "Procedure for the Distribution of Employees' Remuneration." 7. Amendment to the Company's "Management Procedures for Preventing Insider Transactions." 8. Amendment to the "Corporate Governance Best Practice Principles." 9. Amendment to the "Corporate Social Responsibility Best Practice Principles" 10. Discussion about Non-handling of the Issuance of New Shares by Capital Increase of Private Equity upon Expiration. 11. Discussion about Dealing with Public or Private Offerings of Securities to Meet the Company's Financial Needs. 12. Relevant Matters Concerning the Agenda and Accepting Proposals from Shareholders for the Convening of the 2022 General meeting of Shareholders. 13. Declaration of Internal Control System of 2021. 14. Amendment to the Company's "Internal Audit System" and the "Internal Control System." 15. Intention to issue Letter of Support by the Company 16. Proposal to Loan of Funds to Sub-subsidiary Sulu Electric Power and Light. 17. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 18. The Company's 2021 Certified Fees of CPAs. 19. The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others. 20. The Company's Reinvestment.
April 7, 2022	1. The Company's Reinvestment
May 5, 2022	1. Audit Business Report 2. The Company's Consolidated Financial Quarterly Report for the First Quarter in 2021. 3. The 2021 earning distribution table and the proposal of the earning distribution for the latter half of 2021. 4. Discussion about Cash Giving by Capital Reserve 5. Amendment to the Company's "Internal Audit System" and the "Internal Control System." 6. Serving as Guarantor for Loan of Subsidiaries from a Financial Institution. 7. Loan of Funds to Subsidiaries. 8. Proposal to provide guarantee to subsidiary. 9. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 10. Amendment to "Rules of Procedure for Shareholders Meetings" 11. Proposal of scheduling the GHG inventory and verification disclosure. 12. The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others. 13. The Company's Reinvestment.

	14. Allocation of Directors' Remuneration of the Company of 2021. 15. The Company's Allocation of Managerial Officers' Remuneration of 2021.

M. The main content when Directors and supervisors disagree with the adoption of important resolutions by the Board of Directors in recent years and up to the date of publication of the annual report and have recorded or written statements: There is no such situation.

N. A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's Chairperson, President, principal accounting officer, principal financial officer, chief internal auditor, corporate governance supervisor and principal research and development officer:

December 31, 2021

Title	Name	Date of Arrival	Date of Dismissal	Reasons for Resignation or Dismissal
R&D Head	BUDI TJAHJONO	August 9, 2016	November 30, 2021	Resignation

IV. Service Fees of Accountants

Unit of amount: NT$1,000

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG United Accounting Firm	An-chih Cheng	January to December 2021	5,170	1,349	6,519	1.The non-audit service fees are the transfer pricing, company registration, and taxation certification service. 2. The CPAs were replaced because the accounting firm rotated the positions; but the accounting firm was not replaced.
	Mei-Yu Tseng	January to December 2021				

A. If the accounting firm is replaced and the audit fee paid in the replacement year is less than that paid in the previous year, the amount, reasons for the reduction before and after replacement should be disclosed: None.

B. If the audit fee is reduced by more than 10% over the previous year, the amount, proportion and reasons for the reduction should be disclosed: None.

V. Information on Replacement of Independent Auditors

The Company has replaced its CPA in cooperation with KPMG's internal business adjustment the last two fiscal years. The Company did not change its accounting firm.

VI. Name, professional title and employment in the firm of CPA or his/her related enterprise of the Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed

None.

VII. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders in Last Year and as of the Date of this Annual Report

A. Changes in shareholding rights of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10%.

Title	Name	2021		The year ended April 30, 2022		Remarks
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Chairperson	Hsiu-Lan Hsu	0	0	0	0	CEO of the Company
Vice Chairperson	Tang-Liang Yao	(180,000)	0	(30,000)	0	President of the Company
Director	Ming-Kuang Lu	925,000	0	(541,000)	0	
Director	Wen-huei Tsai	0	0	0	0	
Director	Feng-Ming Chang	0 0	0 0	0 0	0 0	
Director	Representative of Kaijiang Corporation: Hao Fan	0 0	0 0	0 0	0 0	
Director	Kunchang Investment Co., Ltd. Representative: Edward Andrew Ow	0 0	0 0	0 0	0 0	
Independent Director	Chin-Tan Liu	0	0	0	0	
Independent Director	Hou-Chung Kuo	0	0	0	0	
Independent Director	Shao-Lun Li	0	0	0	0	
Manager	Hau-Chun Shih	0	0	0	0	
Manager	Chung-Wei Lee	0	0	0	0	
Manager	Pei-Yi Chen	0	0	0	0	
Accounting Supervisor	Hsiu-Ling Hsu	0	0	0	0	
Corporate Governance Supervisor	Ming-Huei Chien	0	0	0	0	

Note 1: Shareholders holding more than 10% of the total shares of the Company should be identified as major shareholders and listed separately.

Note 2: If the relative person concerned in the transfer or pledge of shares is a related party, the following table should be filled out.

B. Shares Trading with Related Parties: None.

C. Shares Pledge with Related Parties: None.

VIII. Information Regarding the Relationship among the Top Ten Shareholders Who are Related Parties in the Financial Accounting Standards Bulletin No. 6

April 25, 2022

Name	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Others		Names or names and relationships of the top ten shareholders who have relations with each other or are spouses or relatives within the second degree of kinship.		Notes
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Company Name (or name)	Relationship	
Hongwang Investment Co., Ltd.	25,050,000	4.27%	0	0	0	0	None	None	
Representative of Hongwang Investment Co., Ltd.: Jiang Sulan	0	0	0	0	0	0	None	None	
J.P. MORGAN SECURITIES PLC	16,810,039	2.87%	0	0	0	0	None	None	
Nanshan Life Insurance Co., Ltd.	14,975,000	2.55%	0	0	0	0	None	None	
Representatives of Nanshan Life Insurance Co., Ltd.: Tang, Chen	0	0	0	0	0	0	None	None	
Weilian Technology Co., Ltd.	13,114,000	2.24%	0	0	0	0	None	None	
Representative of Weilian Technology Co., Ltd: Jiang Sulan	0	0	0	0	0	0	None	None	
2021 1st Mandatory Investment Account Commissioned to Fubon Investment Account for New System Labor Pension Fund	11,892,000	2.03%	0	0	0	0	None	None	
China Life Insurance Co., Ltd.	11,817,000	2.02%	0	0	0	0	None	None	
Representatives of China Life Insurance Co., Ltd.: Shuo-Lun Tan	0	0	0	0	0	0	None	None	
Ming-Kuang Lu	11,784,000	2.01%	1,171,685	0.20%	0	0	None	None	
Cathy Life Insurance Co., Ltd.	10,724,000	1.83%	0	0	0	0	None	None	
Representative of Cathy Life Insurance Co., Ltd.: Huang Tiaogui	0	0	0	0	0	0	None	None	
Hongmao Investment Co., Ltd.	10,425,000	1.78%	0	0	0	0	None	None	
Representative of Hongmao Investment Co., Ltd: Jiang Sulan	0	0	0	0	0	0	None	None	
Ching-Chao Chang	10,280,000	1.75%	0	0	0	0	None	None	

IX. Total Numbers and Equity of Shares Held in any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2021 Unit: thousand shares; %

Reinvestment (Note 1)	Investment of the Company		Investment of undertakings directly or indirectly controlled by directors, supervisors, managers		Comprehensive Investment	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Sino Silicon Technology Inc.	48,526	100.00%	—	—	48,526	100.00%
GlobalWafers Co., Ltd.	222,727	51.17%	—	—	222,727	51.17%
AleoSolar GmbH	(Note 2)	100.00%	—	—	(Note 2)	100.00%
SAS Sunrise Inc.	24,500	100.00%	—	—	24,500	100.00%
SAS Capital Co., Ltd.	25,000	100.00%	—	—	25,000	100.00%
Crystalwise Technology Inc.	31,038	35.24%	—	—	31,038	35.24%
Accusolar Power Co., Ltd.	7,452	24.70%	—	—	7,452	24.70%
Taiwan Speciality Chemicals Corporation	42,758	30.93%	—	—	42,758	30.93%
Advanced Wireless Semiconductor Technology	45,000	22.90%	—	—	45,000	22.90%
Actron Technology Corporation	20,807	22.75%	—	—	20,807	22.75%
Sunrise PV Three Co., Ltd.	1,500	100.00%	—	—	1,500	100.00%
Sustainable Energy Solution Co. Ltd.	2,000	100.00%			2,000	100.00%
AMLED International Systems Inc.	—	—	—	—	—	—
Sulu Electric Power and Light Inc.	—	—	892,500	85.00%	892,500	85.00%
Aleo Solar Distribuzione Italia S.r.l	—	—	(Note 2)	100.00%	(Note 2)	100.00%

Note 1: The Company's investment is based on equity method.
Note 2: It is a limited company, so there is no number of shares.

December 31, 2021 Unit: thousand shares; %

Reinvestment (Note 1)	Investment by SAS		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
GlobalWafers Inc.	—	—	0.01	100.00%	0.01	100.00%
GlobalSemiconductor Inc.	—	—	25,000	100.00%	25,000	100.00%
GlobalWafers Japan Co., Ltd.	—	—	128	100.00%	128	100.00%
GWafers Singapore Pte. Ltd.	—	—	541,674	100.00%	541,674	100.00%
Sunrise PV Four Co., Ltd.	—	—	104,500	100.00%	104,500	100.00%
Sunrise PV Electric Power Five Co., Ltd	—	—	27,800	100.00%	27,800	100.00%
GWC Capital Co., Ltd.	—	—	25,000	100.00%	25,000	100.00%
Hongwang Investment Co., Ltd.	—	—	30,976	30.98%	30,976	30.98%
Kunshan Sino Silicon Technology Co., Ltd.	—	—	(Note2)	100.00%	(Note2)	100.00%
MEMC Japan Ltd.	—	—	750	100.00%	750	100.00%
TopsilGlobalWafers A/S	—	—	1,000	100.00%	1,000	100.00%
Topsil Semiconductor sp z o.o.	—	—	0.1	100.00%	0.1	100.00%
GlobalWafers Singapore Pte. Ltd.	—	—	299,445	100.00%	299,445	100.00%
GlobalWafers B.V.	—	—	0.1	100.00%	0.1	100.00%
MEMC Electronic Materials S.p.A.	—	—	65,000	100.00%	65,000	100.00%
MEMC Electronic Materials France SarL	—	—	0.5	100.00%	0.5	100.00%
MEMC Electronic Materials GmbH	—	—	0.002	100.00%	0.002	100.00%
MEMC Korea Company	—	—	25,200	100.00%	25,200	100.00%
GlobiTech Incorporated.	—	—	1	100.00%	1	100.00%
MEMC LLC	—	—	—	100.00%	—	100.00%
MEMC Electronic Materials Sdn. Bhd.	—	—	1,036	100.00%	1,036	100.00%
MEMC Ipoh Sdn. Bhd.	—	—	612,300	100.00%	612,300	100.00%
GlobalWafers GmbH	—	—	25	100.00%	25	100.00%

Note 1: The Company's investment is based on equity method.
Note 2: It is a limited company, so there is no number of shares.

IV. Capital Overview

I. Capital and Shares

A. Source of Capital:

1. Issued Shares

Unit: NT$/share

Month/ Year	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
January 1981	10	10,800,000	108,000,000	6,044,663	60,446,630	Capital increased by cash 38,902,043	21,544,587	
August 1984	10	10,800,000	108,000,000	10,800,000	108,000,000	Capital increased by cash 111,946	47,441,424	
November 1984	10	14,000,000	140,000,000	14,000,000	140,000,000	Capital increased by cash 32,000,000	None	
April 1990	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increased by cash 160,000,000	None	Note (1)
November 1995	10	60,000,000	600,000,000	40,000,000	400,000,000	Capital increased by cash 100,000,000	None	Note (2)
February 1998	10	60,000,000	600,000,000	60,000,000	600,000,000	Capital increased by cash 200,000,000	None	Note (3)
August 1998	10	63,000,000	630,000,000	63,000,000	630,000,000	Conversion of capital reserve to capital increase 30,000,000	None	Note (4)
December 1999	10	78,000,000	780,000,000	78,000,000	780,000,000	Capital increased by cash 150,000,000	None	Note (5)
October 2000	10	86,421,000	864,210,000	86,421,000	864,210,000	Conversion of surplus, capital reserve and employee dividend to capital increase 84,210,000	None	Note (6)
October 2001	10	170,000,000	1,700,000,000	100,857,250	1,008,572,500	Conversion of surplus and employee dividend to capital increase 144,362,500	None	Note (7)
October 2002	10	170,000,000	1,700,000,000	105,350,000	1,053,500,000	Conversion of surplus and employee dividend to capital increase 44,927,500	None	Note (8)

September 2003	10	170,000,000	1,700,000,000	109,706,100	1,097,061,000	Conversion of surplus, capital reserve and employee dividend to capital increase 43,561,000	None	Note (9)
September 2004	10	170,000,000	1,700,000,000	114,593,000	1,145,930,000	Conversion of surplus and employee dividend to capital increase 48,869,000	None	Note (10)
September 2005	10	170,000,000	1,700,000,000	122,300,000	1,223,000,000	Conversion of surplus and employee dividend to capital increase 77,070,000	None	Note (11)
October 2005	10	170,000,000	1,700,000,000	152,300,000	1,523,000,000	Capital increased by cash 300,000,000	None	Note (12)
September 2006	10	250,000,000	2,500,000,000	161,000,000	1,610,000,000	Conversion of surplus, capital reserve and employee dividend to capital increase 87,000,000	None	Note (13)
October 2006	10	250,000,000	2,500,000,000	181,000,000	1,810,000,000	Capital increased by cash 200,000,000	None	Note (14)
October 2006	10	250,000,000	2,500,000,000	183,289,000	1,832,890,000	Warrants Conversion stock 22,890,000	None	Note (15)
March 2007	10	250,000,000	2,500,000,000	183,692,000	1,836,920,000	Warrants Conversion stock 4,030,000	None	Note (16)
May 2007	10	250,000,000	2,500,000,000	186,506,000	1,865,060,000	Warrants Conversion stock 28,140,000	None	Note (17)
September 2007	10	250,000,000	2,500,000,000	186,831,000	1,868,310,000	Warrants Conversion stock 3,250,000	None	Note (18)
September 2007	10	250,000,000	2,500,000,000	197,241,300	1,972,413,000	Surplus and employees Conversion of dividend to capital increase 104,103,000	None	Note (19)
December 2007	10	250,000,000	2,500,000,000	198,366,300	1,983,663,000	Warrants Conversion stock 11,250,000	None	Note (20)
February 2008	10	250,000,000	2,500,000,000	198,386,300	1,983,863,000	Warrants Conversion stock 200,000	None	Note (21)
May 2008	10	250,000,000	2,500,000,000	199,107,700	1,991,077,000	Warrants Conversion stock 7,214,000	None	Note (22)
September 2008	10	250,000,000	2,500,000,000	210,426,710	2,104,267,100	Surplus and employees Conversion of dividend to capital	None	Note (23)

						increase 110,860,100 Warrants Conversion stock 2,330,000		
October 2008	10	250,000,000	2,500,000,000	220,426,710	2,204,267,100	Capital increased by cash 100,000,000	None	Note (24)
December 2008	10	250,000,000	2,500,000,000	221,177,710	2,221,777,100	Warrants Conversion stock 7,510,000	None	Note (25)
April 2009	10	250,000,000	2,500,000,000	221,233,710	2,212,337,100	Warrants Conversion stock 560,000	None	Note (26)
May 2009	10	250,000,000	2,500,000,000	221,923,110	2,219,231,100	Warrants Conversion stock 6,894,000	None	Note (27)
August 2009	10	350,000,000	3,500,000,000	267,929,276	2,679,292,760	Surplus and employees Conversion of dividend to capital increase 460,061,660	None	Note (28)
August 2009	10	350,000,000	3,500,000,000	299,179,276	2,991,792,760	Capital increased by cash 312,500,000	None	Note (29)
September 2009	10	350,000,000	3,500,000,000	299,317,276	2,993,172,760	Warrants Conversion stock 1,380,000	None	Note (30)
November 2009	10	350,000,000	3,500,000,000	299,441,276	2,994,412,760	Warrants Conversion stock 1,240,000	None	Note (31)
March 2010	10	350,000,000	3,500,000,000	299,479,276	2,994,792,760	Warrants Conversion stock 380,000	None	Note (32)
April 2010	10	350,000,000	3,500,000,000	299,626,276	2,996,262,760	Warrants Conversion stock 1,470,000	None	Note (33)
July 2010	10	350,000,000	3,500,000,000	321,025,580	3,210,255,800	Surplus and employees Conversion of dividend to capital increase 213,993,040	None	Note (34)
October 2010	10	500,000,000	5,000,000,000	382,025,580	3,820,255,800	Capital increased by cash 610,000,000	None	Note (35)
May 2011	10	500,000,000	5,000,000,000	402,132,190	4,021,321,900	Stock exchange 201,066,100	None	Note (36)
August 2011	10	600,000,000	6,000,000,000	423,119,081	4,231,190,810	Surplus and employees Conversion of dividend to capital increase 209,868,910	None	Note (37)
November 2011	10	600,000,000	6,000,000,000	443,119,081	4,431,190,810	Cash capital increase 200,000,000	None	Note (38)
August 2012	10	800,000,000	8,000,000,000	523,119,081	5,231,190,810	Cash capital increase 800,000,000	None	Note (39)
May 2014	10	800,000,000	8,000,000,000	523,143,081	5,231,430,810	Warrants Conversion stock 240,000	None	Note (40)

August 2014	10	800,000,000	8,000,000,000	580,031,151	5,800,311,510	Merger of Sunrise Global Issue of new shares 568,880,700	None	Note (41)
October 2017	10	800,000,000	8,000,000,000	592,093,651	5,920,936,510	Warrants Conversion stock 60,625,000 New shares restricting staffs' rights 60,000,000	None	Note (42)
January 2018	10	800,000,000	8,000,000,000	592,058,651	5,920,586,510	Cancellation of new shares restricting staffs' rights 350,000	None	Note (43)
October 2018	10	800,000,000	8,000,000,000	586,503,651	5,865,036,510	Capital injection and reduction of treasury stock 55,550,000	None	Note (44)
December 2018	10	800,000,000	8,000,000,000	586,320,651	5,863,206,510	Cancellation of new shares restricting staffs' rights 1,830,000	None	Note (45)
April 2019	10	800,000,000	8,000,000,000	586,287,651	5,862,876,510	Cancellation of new shares restricting staffs' rights 330,000	None	Note (46)
August 2019	10	800,000,000	8,000,000,000	586,236,651	5,862,366,510	Cancellation of new shares restricting staffs' rights 510,000	None	Note (47)
March 2020	10	800,000,000	8,000,000,000	586,221,651	5,862,216,510	Cancellation of new shares restricting staffs' rights 150,000	None	Note (48)

Note (1) Tai Cai Zheng (1) Approval Letter No. 02824 of October 26th, 1990 (1990) of the Securities Management Committee, Ministry of Finance.

Note (2) Tai Cai Zheng (1) Approval Letter No. 39204 of December 4th, 1995 (1995) of the Securities Management Committee, Ministry of Finance.

Note (3) Tai Cai Zheng (1) Approval Letter No. 85459 of November 27th, 1997 (1997) of Securities and Futures Commission, Ministry of Finance.

Note (4) Tai Cai Zheng (1) Approval Letter No. 58663 of July 10th, 1998 (1998) of Securities and Futures Commission, Ministry of Finance.

Note (5) Tai Cai Zheng (1) Approval Letter No. 93634 of October 26th, 1999 (1999) of Securities and Futures Commission, Ministry of Finance.

Note (6) Tai Cai Zheng (1) Approval Letter No. 83396 of October 6th, 2000 (2000) of Securities and Futures Commission, Ministry of Finance.

Note (7) Tai Cai Zheng (1) Approval Letter No. 140364 of June 26th, 2001 (2001) of Securities and Futures Commission, Ministry of Finance.

Note (8) Tai Cai Zheng Yi Zi Approval Letter No. 0910144515 of August 9th, 2002 (2002) of Securities and Futures Commission, Ministry of Finance.

Note (9) Tai Cai Zheng Yi Zi Approval Letter No. 0920133758 of July 25th, 2003 (2003) of Securities and Futures Commission, Ministry of Finance.

Note (10) Tai Cai Zheng Yi Zi Approval Letter No. 0930132046 of July 19th, 2004 (2004) of Financial Supervisory Commission, Executive Yuan.

Note (11) Tai Cai Zheng Yi Zi Approval Letter No. 0940126037 of June 29th, 2005 (2005) of Financial Supervisory Commission, Executive Yuan.

Note (12) Tai Cai Zheng Yi Zi Approval Letter No. 0940125440 of July 1st, 2005 (2005) of Financial Supervisory Commission, Executive Yuan.

Note (13) Tai Cai Zheng Yi Zi Approval Letter No. 0950128446 of July 10th, 2006 (2006) of Financial Supervisory Commission, Executive Yuan.

Note (14) Tai Cai Zheng Yi Zi Approval Letter No. 0950128620 of July 12th, 2006 (2006) of Financial Supervisory

Commission, Executive Yuan.

Note (15) Yuan Shang Zi Approval Letter No. 0950028768 of October 27th, 2006 of Taiwan Science Park Administration.

Note (16) Yuan Shang Zi Approval Letter No. 0960006570 of March 13th, 2007 of Taiwan Science Park Administration.

Note (17) Yuan Shang Zi Approval Letter No. 0960011004 of May 1st, 2007 of Taiwan Science Park Administration.

Note (18) Jin Guan Zheng Yi Zi Approval Letter No. 0960036973 of July 17th, 2007 of Financial Supervisory Commission, Executive Yuan.

Note (19) Yuan Shang Zi Approval Letter No. 0960025181 of September 13th, 2007 of Taiwan Science Park Administration.

Note (20) Yuan Shang Zi Approval Letter No. 0960033158 of December 5th, 2007 of Taiwan Science Park Administration.

Note (21) Yuan Shang Zi Approval Letter No. 0970007484 of February 15th, 2008 of Taiwan Science Park Administration.

Note (22) Yuan Shang Zi Approval Letter No. 0970012289 of May 14th, 2008 of Taiwan Science Park Administration.

Note (23) Yuan Shang Zi Approval Letter No. 0970023820 of September 1st, 2008 of Taiwan Science Park Administration.

Note (24) Yuan Shang Zi Approval Letter No. 0970031254 of November 5th, 2008 of Taiwan Science Park Administration.

Note (25) Yuan Shang Zi Approval Letter No. 0970033918 of December 1st, 2008 of Taiwan Science Park Administration.

Note (26) Yuan Shang Zi Approval Letter No. 0980010288 of April 13th, 2009 of Taiwan Science Park Administration.

Note (27) Yuan Shang Zi Approval Letter No. 0980012552 of May 13th, 2009 of Taiwan Science Park Administration.

Note (28) Yuan Shang Zi Approval Letter No. 0980021402 of August 14th, 2009 of Taiwan Science Park Administration.

Note (29) Yuan Shang Zi Approval Letter No. 0980024305 of August 28th, 2009 of Taiwan Science Park Administration.

Note (30) Yuan Shang Zi Approval Letter No. 0980027608 of September 28th, 2009 of Taiwan Science Park Administration.

Note (31) Yuan Shang Zi Approval Letter No. 0980033989 of November 30th, 2009 of Taiwan Science Park Administration.

Note (32) Yuan Shang Zi Approval Letter No. 0990012116 of April 29th, 2010 of Taiwan Science Park Administration.

Note (33) Yuan Shang Zi Approval Letter No. 0990015583 of June 4th, 2010 of Taiwan Science Park Administration.

Note (34) Yuan Shang Zi Approval Letter No. 0990018384 of July 2nd, 2010 of Taiwan Science Park Administration.

Note (35) Yuan Shang Zi Approval Letter No. 0990031133 of October 15th, 2010 of Taiwan Science Park Administration.

Note (36) Yuan Shang Zi Approval Letter No. 1000011943 of May 5th, 2011 of Taiwan Science Park Administration.

Note (37) Yuan Shang Zi Approval Letter No. 1000025568 of August 31st, 2011 of Taiwan Science Park Administration.

Note (38) Yuan Shang Zi Approval Letter No. 1000033672 of November 8th, 2011 of Taiwan Science Park Administration.

Note (39) Yuan Shang Zi Approval Letter No. 1010024319 of August 7th, 2012 of Taiwan Science Park Administration.

Note (40) Zhu Shang Zi Approval Letter No. 1030012459 of May 8th, 2014 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (41) Zhu Shang Zi Approval Letter No. 1030025712 of August 27th, 2014 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (42) Zhu Shang Zi Approval Letter No. 1060029808 of October 27th, 2017 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (43) Zhu Shang Zi Approval Letter No. 1070000085 of January 4th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (44) Zhu Shang Zi Approval Letter No. 1070028752 of October 5th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (45) Zhu Shang Zi Approval Letter No. 1070034774 of December 4th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (46) Zhu Shang Zi Approval Letter No. 1080009195 of April 2nd, 2019 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (47) Zhu Shang Zi Approval Letter No. 1080024365 of August 22nd, 2019 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (48) Zhu Shang Zi Approval Letter No. 1090008694 of March 30th, 2020 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

2. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Registered common stock	586,221,651	213,778,349	800,000,000	This stock belongs to TPEx listed stock.

3. Shelf Registration: not applicable.

B. Status of Shareholders

April 25, 2022

Shareholder / Structure Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institution & Persons	Total
Number of Shareholders	7	67	418	94,212	453	95,157
Ownership (Share)	17,509,450	101,389,243	85,259,597	252,459,723	129,603638	586,221,651
Ownership (%)	2.99%	17.30%	14.55%	43.06%	22.10%	100.00%

C. Diffusion of Ownership

1. Common Shares

April 25, 2022

Class of Shareholding	Number of Shareholders	Ownership (Share)	Ownership (%)
1 ~ 999	44,160	4,843,474	0.83%
1,000 ~ 5,000	43,952	79,263,849	13.52%
5,001 ~ 10,000	3,787	28,760,915	4.91%
10,001~ 15,000	1,103	14,048,529	2.4%
15,001~ 20,000	589	10,811,131	1.84%
20,001~ 30,000	571	14,368,864	2.45%
30,001~ 40,000	229	8,163,792	1.39%
40,001~ 50,000	140	6,462,795	1.1%
50,001~ 100,000	276	19,872,976	3.39%
100,001~ 200,000	123	17,145,995	2.92%
200,001~ 400,000	89	24,909,375	4.25%
400,001~ 600,000	29	13,908,286	2.37%
600,001~ 800,000	18	12,606,336	2.15%
800,001~ 1,000,000	12	10,947,275	1.87%
1,000,001 or over	79	320,108,059	54.61%
Total	95,157	586,221,651	100.00%

2. Special shares: None.

D. List of Major Shareholders

The name, amount and proportion of the major shareholders whose equity ratio is more than 5% or among top 10

April 25, 2022

Shares / Name of Major Shareholders	Shareholding (shares)	Shareholding Ratio (%)
Hongwang Investment Co., Ltd.	25,050,000	4.27%
J.P. MORGAN SECURITIES PLC	16,810,039	2.87%
Nanshan Life Insurance Co., Ltd.	14,975,000	2.55%
Weilian Technology Co., Ltd.	13,114,000	2.24%
2021 1st Mandatory Investment Account Commissioned to Fubon Investment Account for New System Labor Pension Fund	11,892,000	2.03%
China Life Insurance Co., Ltd.	11,817,000	2.02%
Ming-Kuang Lu	11,784,000	2.01%
Cathy Life Insurance Co., Ltd.	10,724,000	1.83%
Hongmao Investment Co., Ltd.	10,425,000	1.78%
Ching-Chao Chang	10,280,000	1.75%

E. Market Price, Net Worth, Earnings, and Dividends per Share for the Last Two Years

Unit: Yuan

Item		Year	2020	2021	As of March 31, 2022
Market Price per Share	Highest Market Price		178.5	241.5	249
	Lowest Market Price		73.6	140	163.5
	Average Market Price		112.13	185.17	203.37
Net Worth per Share	Before Distribution		48.04	48.68	50.22
	After Distribution		39.53	40.68	Not applicable
Earnings per Share	Weighted Average Shares (thousand shares)		584,916	586,222	586,222
	Earnings per Share	Before Adjustment	10.82	11.62	2.16
		After Adjustment	10.82	11.62	Not applicable
Dividends per Share	Cash Dividends		9.00	8.00	Not applicable
	Free Dividends	Dividends from Retained Earnings	—	—	Not applicable
		Dividends from Capital Surplus	—	—	Not applicable
	Accumulated Undistributed Dividends		—	—	Not applicable
Return on Investment	Price / Earnings Ratio		10.86	15.94	Not applicable
	Price / Dividend Ratio		12.46	23.15	Not applicable
	Cash Dividend Yield Rate		8.03	4.32	Not applicable

F. Dividend Policy and Implementation Status

1. Dividend Policy

If there is surplus in the annual final accounts of the Company, after paying taxes and making up for accumulated losses according to law, 10% is accrued as the statutory surplus reserve, but when the statutory surplus reserve has reached the amount of the Company's paid-in capital, it should not be listed, and the rest should be listed or turned back to the special surplus reserve according to the law. If there is still a surplus and the accumulated undistributed surplus, the Board of Directors should make a surplus allocation proposal, which should be submitted to shareholders' meeting to decide to distribute dividends. According to the 5th Provision of Article 240 from the Company Act, the Company will authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors;

and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The distributable dividends and bonuses in whole or in part may be paid in new stock after a resolution has been adopted by the shareholders.

In order to maintain continuous operation and steady growth of EPS, dividend for shareholders shall be more than 50% of the profit after tax deducting the appropriation of special surplus of the year by the regulations, and the shareholder dividend distribution rate shall be no less than 50% of the cash dividend.

Regarding the cumulative net amount of other deductions from equity, allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

2. Dividend allocation

Pursuant to the Articles of Incorporation of the Company, the Board of Directors is authorized to resolve the distribution of profits in cash upon the end of every six months. Regarding the semi-annual cash dividends resolved and approved by the Board of Directors for 2021, the amount and date of distribution are as the following:

2021	Date of approval (Month/Day/Year)	Date of distribution (Month/Day/Year)	Cash dividend per share (NT$)			Total amount of cash dividends (NT$)
			Earnings	Capital surplus	Total	
First half of the year	December 9, 2021	February 18, 2022	0.1067	3.3933	3.5	2,051,775,778
Latter half of the year	May 5, 2022	August 12, 2022	3.4522	1.0478	4.5	2,637,997,430
Total			8.0			4,689,773,208

3. Description of expected significant changes in dividend policy: None.

G. Impact of the Stock Dividend Proposal of this Shareholders meeting on Operational Performance and Earning per Share: Not applicable.

H. Employee Bonus and Directors' and Supervisors' Remuneration

1. The percentage or scope of remuneration for employees and directors contained in the articles of association of the Company:

   If the Company is profitable in the year, it should allocate 3-15% as employees' remuneration. The Board of Directors decides to distribute the remuneration in stock or cash. The object of the distribution includes the employees of the subordinate company who meet certain conditions. If the Company can make profit with the above amount, the Board of Directors decides to allocate up to 3% as its directors' remuneration. The distribution proposal of remuneration of employees and directors should be submitted and reported to the shareholders' meeting.

   If it has accumulative losses, the Company should reserve and make up the amount before distributing remuneration to the employees and directors according to the percentage mentioned in the preceding paragraph.

2. The Estimated Basis for Calculating the Employee Bonus and Directors' Remuneration as well as Employee Stock Bonus, Accounting Treatment if the Actual Distribution Is Different from Estimation:

a. Allocation for employee stock bonus and directors' remuneration: In compliance with Articles of Incorporation.

b. Ratio of employee stock bonus to capitalization of earnings: If employee remuneration is distributed via stock, this will be calculated based on the total equity attributable to owners of parent in the latest financial statement audited by CPA. The Company does not distribute employee remuneration via stock this year.

c. Accounting Treatment if the Actual Distribution Is Different from Estimation: If shareholder resolution is different from the estimation, it will be deemed as changes in accounting estimates and recognized in current profit and loss.

3. Remuneration distribution approved by board meeting:

a. If the recommended distribution of employees' bonus and directors' remuneration has differences with estimation, therefore, its reason, variance and dealing should be disclosed.

Employees' bonus and directors' remuneration are approved in Board Meeting dated March 17, 2022.

Employees' bonus: NTD 438,902,000, all will be issued in cash
Directors' remuneration: NTD 45,000,000, all will be issued in cash
There is no difference in actual distribution of employee bonus and directors' remuneration with the recognition in 2021 financial statements.

b. Ratio of recommended employee stock bonus to net income in the current standalone or consolidated financial statements, and the total amount of employees to remuneration: None

4. Actual distribution of employees' bonus, directors' and supervisors' remuneration in the previous year (including shares numbers, amount and price), if there is any difference with estimation, its variation, reason and handling should be specified:

Unit：NTD

Item	The Amount BoD Agreed to Distribute	The Amount that Actually Distribute	Quantity Variance	Explanation for the Variance
Employees' Bonus	506,993,000	506,993,000	None	NA
Directors' Remuneration	45,740,000	45,740,000	None	NA

I. Repurchase of Company Shares: None.

II. Status of Corporate Bonds

None.

III. Status of Preferred Stocks

None.

IV. GDR Issuance

March 31, 2022

Item \ Issue date	September 8, 2010
Date of Issuance	September 8, 2010
Issuance and Listing	Luxembourg Stock Exchange
Total Amount	US$ 177,192,800
Offering Price per GDS	US$ 2.9048.
Units Issued	61,000,000 units of GDR Issuance
Underlying Securities	Common shares of Sino-American Silicon Products Inc.
Common Shares Represented	61,000,000 shares
Rights and Obligations of GDS Holders	1. An global depositary receipt holder exercises the voting rights of ordinary shares of Sino-American Silicon in the depositary receipt on the basis of depositary receipt agreement and the relevant provisions of the Law of the Republic of China. 2. An global depositary receipt holder enjoys the same share allocation and other allotment rights as existing common shareholders in accordance with the Law of Republic of China and other relevant laws. If Sino-American Silicon issues stock dividends or shares for other reasons in the future, the depository institution will issue the global depositary receipt to global depositary receipt holder in accordance with provisions of the depository convention and relevant laws with the proportion of the original holding unit of the global depositary receipt, or increase the number of common shares of Sino-American Silicon for each unit of global depositary receipt. Or the depository institution will sell the stock dividends and allocate the net income (deducting relevant taxes and fees) to the global depositary receipt holder on a pro rata basis. When Sino-American Silicon increases its capital by cash or other warrants, the global depositary receipt holder should have the same rights to subscribe for new shares and other rights as shareholders of ordinary shares in accordance with the Law of Republic of China and other relevant laws. The depository institution should provide such rights to the global depositary receipt holder or sell them in accordance with the Law of the Republic of China and other relevant laws, and distribute the net income (after deduction of taxes and expenses) to the global depositary receipt holder according to the ratio.
Trustee	Not applicable
Depositary Bank	Citibank, N.A.
Custodian Bank	Citibank Taiwan Ltd.
GDSs Outstanding	0
Apportionment of expenses for the issuance and maintenance	1. Costs related to the issuance of global depositary receipts: The expenses incurred in connection with the issuance of global depositary receipts, including legal fees, listing fees, financial consulting fees and any other related fees, should be borne by the issuing company and the selling shareholders unless otherwise stipulated by the law or agreed by the issuing company, sponsoring underwriter and depository institution.

<table>
<tr><td colspan="3"></td><td>2. Related expenses in the period of existence: Unless otherwise stipulated by the law or agreed by the issuing company, sponsoring underwriter and depository institution, related expenses in the period of existence, including disclosure of information and other expenses, should be borne by the issuing company.</td></tr>
<tr><td colspan="3">Terms and Conditions in the Deposit Agreement and Custody Agreement</td><td>—</td></tr>
<tr><td rowspan="6">Closing Price per GDS</td><td rowspan="3">2021</td><td>Highest</td><td>US$8.95</td></tr>
<tr><td>Lowest</td><td>US$5.80</td></tr>
<tr><td>Average</td><td>US$ 7.08</td></tr>
<tr><td rowspan="3">As of March 31, 2022</td><td>Highest</td><td>US$ 8.55</td></tr>
<tr><td>Lowest</td><td>US$ 5.15</td></tr>
<tr><td>Average</td><td>US$ 6.55</td></tr>
</table>

V. Employee Stock Options

None.

VI. Status of New Shares Issuance of Limited Stocks for Employees

None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

VIII. Financing Plans and Implementation

None.

V. Operational Highlights

I. Business Activities

A. Scopes of the business

1. Main areas of business operations

   The Company shall engage in the following business:
   CC01080 Electronic Parts and Components Manufacturing
   C801990 Other Chemical Materials Manufacturing
   IG03010 Energy-related Technology and Service
   F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)
   F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)
   F401010 International Trade

   Research and development, design, manufacture and sell the following products:

   a. Silicon-based semiconductor materials and their components.
   b. Varistor.
   c. Photovoltaic and communication materials.
   d. Silicone Compound.
   e. The technology, management and advisory business related to the products listed above.
   f. Photovoltaic system integration and installation services.
   g. Import-export activities related to the business mentioned above.

2. Operating Percentage

Unit: NT$ thousands; %

Product Name	2021 Revenue	Revenue Percentage
Semiconductor Wafer	60,636,738	88.08%
Solar Cell Products	2,485,299	3.61%
Solar Module	1,682,882	2.44%
Solar Ingot	1,624,328	2.36%
Semiconductor Ingot	361,312	0.52%
Solar Chip Products	217,029	0.32%
Other	1,833,662	2.67%
Total	68,841,250	100.00%

3. The Company's current products and service items
   a. High quality multi-crystalline silicon materials products for silicon-based application
   b. High Efficiency Mono-Si Solar Cell
   c. High efficiency mono-Si bi-facial solar cell
   d. High-efficiency mono-Si Metal-Wrap-Through back-contact solar cells
   e. High-efficiency mono-Si multi-busbar solar cell
   f. High-efficiency mono-Si Busbar-less solar cells
   g. Customized special design high efficiency mono-si solar cell
   h. Construction, operation and maintenance of solar power generation equipment
   i. Renewable energy power generation and certifications

4. New technologies and products planned for development
   a. Development of large size ultra-high efficiency mono-Si solar cell technology
   b. Development of ultra-high efficiency mono-si bi-facial solar cell technology
   c. Development of customized special design high efficiency mono-si solar cell

B. Industry Overview

1. Present situation and development of the industry

   a. Solar energy industry

   In order to cope with the impacts of extreme climates on the environment, 137 countries have committed to carbon neutrality, of which more than 124 countries have announced that they will achieve "Net-Zero by 2050”. The United Kingdom, the European Union, Japan, and Korea all have declared to be carbon neutral by 2050; China declared to strive to achieve peak carbon dioxide emissions by 2030 and carbon neutral by 2060; US President Biden promised to achieve carbon neutral by 2050 as his election manifesto. After taking office, U.S. returned to the Paris Agreement and implemented a number of measures, including a renewable energy subsidy policy. Taiwan is actively deploying paths for the goals of 2030/50 carbon reduction and net-zero, in line with the international sustainability trend.

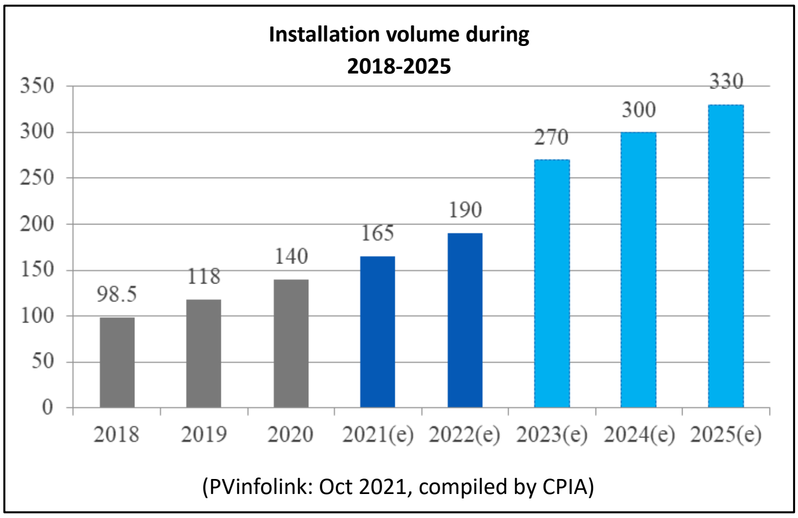
   Looking back at 2021, the COVID-19 pandemic remained, the new variant of Omicron spread rapidly around the world, and the surging infected cases forced countries to maintain border control and various containment measures. Although the solar energy market was also affected by the pandemic, the capacity of new installations in the whole year still exceeded that of 2020. In terms of solar energy installations in 2021, the top five markets are China, Europe, the United States, the Middle East and India. In Japan, due to the adjustment of the subsidy policy, the market continued to shrink, while the installation volume in India fell sharply due to the strong impact of the pandemic, and was replaced by the Middle East market. On the supply side, since the installation demand in 2021 bottomed out in the first quarter and demands recovered, raw material prices have continued to rise for a whole year. Furthermore, in the third quarter of 2021, China imposed the Dual Control System of Total Energy Consumption and Energy Intensity to achieve its carbon-reduction goal; for power heavy users, the power consumption was limited and cut off, leading to an increase in the cost of raw materials, which supports the increasing prices in the overall supply chain. Fortunately, with the trend of global carbon reduction, the demands for the solar energy industry kept on growing, and the industry was able to recover in 2021.

For the domestic market, Taiwan's energy policy continues to meet the goal of 20GW in 2025, and the market demands also rebounded after falling in the first quarter. The government announced a package raising the short-term feed-in tariff (FIT) in the fourth quarter, to encourage companies to install equipment before the end of the 2021, coupled with the public support for the energy policies after the referendum, the government will also introduce more benefits in the future to demonstrate its determination to achieve the goal.

For the 2022 outlook, the solar energy market will keep on growing. The main factors are:

1. More than 137 countries simultaneously clearly plan the zero-emission in the next decades, and carbon neutrality has become the consensus among major countries around the world. Therefore the renewable energies, represented by solar energy, are promising.
2. China supports carbon reduction. With the promotion of the 14th Five-Year Plan, it is expected by the end of 2025, the total solar energy installation will exceed 700GW, and it will become the country with the highest proportion of solar energy in the world. The current ITC tax credit rate of the United States will be extended to 2024. The energy-heavy act in Taiwan took effect officially; and the tender volume in the Middle East market keeps on growing, and has become one of the top five markets. Also, based on the forecasts of the survey institutions, the additional solar energy installation in 2022 will grow continuously.

In 2016, Taiwan announced the energy transition policy, aiming to achieve a non-nuclear homeland and 20% of power generation comes from renewable energy by 2025, and the core values are energy security, green economy, environmental sustainability, and social fairness. MOEA also stated that it has been planning the block development policy as 10GW for 10 year (or 1GW annually) from 2026 to 2035. According to Taipower’s statistics, as of December 2021, the cumulative installed capacity of Taiwan's solar photovoltaic systems is about 7.70GW.



The Taiwanese government is expected to announce a road map for net zero in March 2022, covering four major policy directions. First, maximizing the energy-saving, green energy, and carbon reduction by 2030; second, the electrification of vehicles and manufacturing; third, development and cooperation of hydrogen energy and carbon capture, utilization and storage (CCUS) and other related technology. Fourth, use the fund from carbon fee to subsidize the development of carbon reduction technologies and the promotion of electrification. Moreover, the Ministry of Economic Affairs has planned three energy proportions in 2050 based on three scenarios, and renewable energy power generation accounts for 45% to 80%. Although the current outcomes may delay the goal-achieving, the direction of the green energy strategy remains unchanged.

Unit: KW

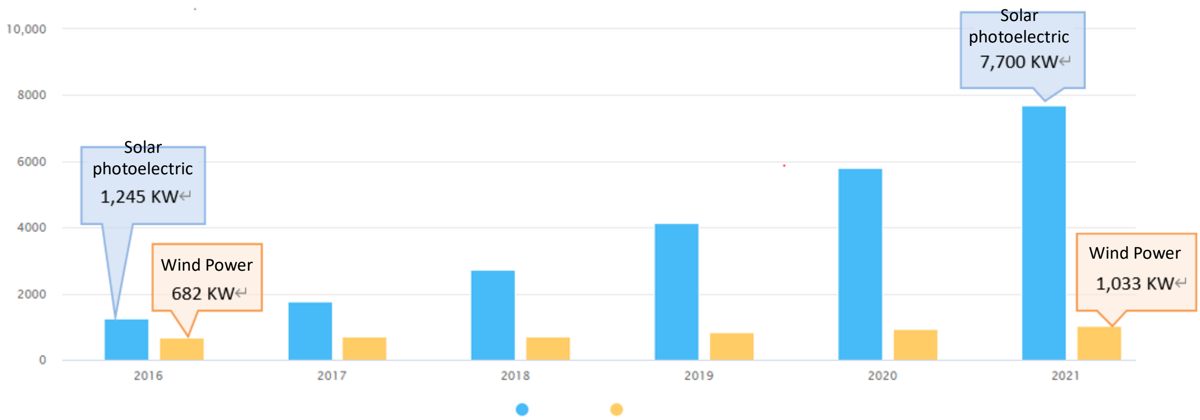
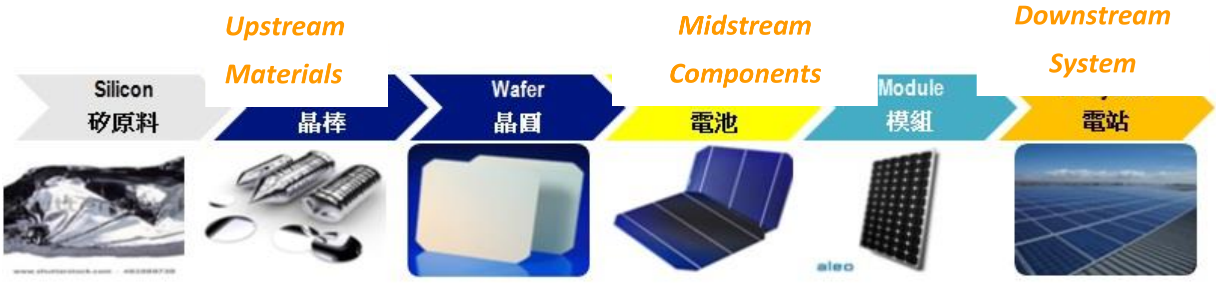


Figure: Cumulative installation volume of solar photoelectric and wind power in the past few years
Source: Bureau of Energy statistics

b. Semiconductor industry (See details in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

2. Relevance of upper, middle and lower reaches of the industry

a. Relevant map of solar energy industry



Source: SAS Internal

b. Relevant map of semiconductor Industry (See details in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

3. Industrial development trend and competition

a. Solar energy industry

- The commitment of RE100/ESG/Carbon Neutral to reduce carbon required in the international supply chains will form the long-term goal of carbon neutrality for all countries, while stimulating the steady growth of renewable energies.
- Regional economy and trade barriers remain, and under the battles between China and the U.S. to dominate new energies, the U.S. government will develop and encourage the U.S. manufacturers to manufacture locally. By reducing taxes and rewarding the U.S. manufacturers to expand production capacities in different stages, overseas orders will be returned to the local manufacturers in the U.S. in the long run. Trade barriers, such as India's safeguard measure survey and the SDGs target in Europe, will determine the changes in supply and demand.
- The monocrystal G1 size will withdraw from Taiwan market in the first half of 2022, and M6/M10 has gradually become the mainstream. The large size trend in the market confirms the demand and preference for high power in the end market.
- Unpredictable supply and price increases of upstream raw materials in 2021, plus stacking of shipping costs will continue into 2022.
- On January 28, the Ministry of Economic Affairs announced the 2022 renewable energy FIT. Solar photovoltaic FIT will be returned to two terms per year from three terms per year, and additional tariffs such as strengthened power grids and UHV. It is expected that the domestic demands in 2022 will be able to continue and develop.
- The Bureau of Energy officially announced the 2022 renewable energy FIT before the Lunar New Year this year. The solar photovoltaic FIT is two terms per year, and the tariff is divided based on the capacity level. The FIT ranges from NT$3.8680

to NT$5.8952 per kWh. Considering the pandemic in Taiwan, the tariff for roof type has dropped slowly. In addition, regarding the costs and expenses of strengthened power grids, UHV booster stations, transmission wires, and grid-connection projects, various additional tariffs are defined pursuant to Taipower's specifications, reflecting the difference in grid-connection costs at the case fields. If plus the maximum tariff announced in 2022 with the additional tariff for the costs of rooftop grid-connected projects, the average reduction in the FITs of the first term of 2022 for all levels of solar photovoltaics is only 0.3%, compared to Q4 2021, which is a small change, and help to boost the demands for power station investment.

- Other than maintaining the additional tariffs of high-performance modules, regional mark-on, dual-usage, and UHV power supply wiring, the new solar energy tariff incentives include:
  i. Taitung area is included in the solar photovoltaic area mark-on.
  ii. Mark-on to grid connection construction expenses, strengthened power grids, among other things.
  iii. Provisions applicable to tariffs in conjunction with energy storage systems.

b. Relevant map of semiconductor Industry (See details in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

C. Overview of Technology and R&D

In recent years, the Company has devoted itself to improving the production of silicon wafer, precision processing and cell module. The increase of productivity of polycrystal wafer, the increase of yield of crystal rod, the reduction of density of crystal defects, the improvement of crystal quality, the improvement of the conversion efficiency of wafer and cell, etc. have exceeded international indicators. Many technical indicators have become international benchmarks. In addition, in recent years, the Company has actively carried out patent distribution to protect the Company's intellectual property rights. The R&D achievements are brilliant and have won many international awards. In recent years, the Company exploits the deep technology foundation and rigorous process technologies to improve the crystalline quality continuously, and expands to the silicon material application products. Customization based on clients’ need and expand product applications.

1. The proportion of research and development expenditure in revenue in the last two years is as follows:

Unit: NT$ Thousands

Year	2020	2021	As of March 31, 2022
R&D expenses	1,742,108	2,165,030	510,870
Revenue	61,397,299	68,841,250	18,769,419
R&D expenses as a percentage of net revenue (%)	2.84%	3.14%	2.72%

2. Technologies or products successfully developed in recent years and up to the date of publication of the annual report

Name of Program	Description of Program	Expected R&D Costs
Development of high quality multi-crystalline silicon materials products for silicon-based application	High quality multi-crystalline silicon materials products for silicon-based application are based on the accumulated R&D technology in the development of solar high efficiency multi-crystalline, and rigorous process technology is used to continuously improve the crystal quality and develop products that meet the specifications of semiconductor polycrystalline silicon materials.	NT$ 5,000,000
Development of high efficiency CelcoN mono-Si Solar Cell	In this project, we collaborated with international equipment venders to develop mass-production scale N-type solar cell technology, which combined advanced “Passivated Contact” and “Bifacial Solar Cell” technologies. Bifacial CelcoN solar cells (cell efficiency> 23.00%) are formed into N-type module, and backside generation power can be 10~20% high according to the environments.	NT$ 300,000,000

D. Long-term and short-term business development programs

1. Long-term program

   a. Actively seeing the blue sea market to maintain the Company’s competitiveness. Responding to the new energy transition and the need for a de-carbonized and circular economy in the international supply chain. Outlook: SAS will provide green energy solutions, to “serve clients by providing green power and energy storage related product application and plans,” while keep on pursuing the maximum interest of the organization as the goal.

   b. Integrate the upstream, midstream and downstream resources, give full play to the advantages of synergy and high-efficiency products, further promote the long-term healthy development of the solar industry and enhance the international competitive advantage. In the long run, the future strategic direction of the Company is to develop towards the system end.

c. Power station operation and maintenance is a key section in the development strategy for the system end. The solar power station has signed a wholesale contract with Taipower for 20 years, thus the stable power generation and operation is a critical factor in achieving the investment effect. With profound experience in maintenance, operation, and management experience in its own solar power stations, and the development of software for analyzing performance variance of power stations, SAS Group achieves active and timely preventive maintenance. This enhances the operational availability/uptime, and protects the long-term investment effects of investors, while making the Company an operation and maintenance service provider with value.

d. The renewable energy power generation is intermittent and variable, and solar power generators do not have the inertia reaction capability as the conventional generator, so extra backup capacity is needed. In the future, the energy-storage system will be set up in the self-owned sites, while establishing the ancillary services participating mechanism, to meet the demands of system deployment and fast response to accidents. The installation of energy-storage system will help the optimization of grid quality. In addition, the legislation regarding the gigantic power consumer took effect in 2021. The energy-heavy users who have 5,000kW or more contracted capacity apply the energy storage system to meet their statutory obligations. In 2019, SAS has installed the compounded energy system on the rooftops of the Company's plants. The system integrated solar energy, energy storage, adjustable grid-connected generators, and an energy management system, to cope with the future demands of integrated energy management. In 2021, a decision was made to invest in the Yilan Plant to build an energy-storage system, for Taipower frequency-adjustment assistive service.

2. Short-term program

a. The Company is a leader in single crystal high-efficiency cells, and will keep on perfecting the PERC single-crystalline cells to enable the efficiency to maintain market competitiveness, and complete the size and product upgrade in this year. Meanwhile, it will also invest in the research and development of high-performance N-type cell process, with large-sized cells, to provide customers with products of high-wattage, high-efficiency and high-quality.

b. The Company will actively look for suitable subjects to develop the installation of solar power systems.

c. Develop aqua-photovoltaics fields, partner with aquaculturist and expand the application scope of solar photovoltaics.

II. Market and Sales Overview

A. Market Analysis

1. Distribution areas of major commodities

a. Solar energy industry

Unit：NT$ thousands

Region		2020		2021	
		Sales	Rate (%)	Sales	Rate (%)
Sales in Domestic Market		1,955,101	32%	2,737,906	35%
Export Sales	Asia	940,414	16%	1,474,597	19%
	America	1,423,332	23%	1,903,650	25%
	Others	1,729,857	29%	1,638,420	21%
Total		6,048,704	100%	7,754,573	100%

b. Semiconductor industry (Please find more information in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

2. Market share

a. Solar energy industry

1. The Yilan Plant will upgrade its products to M6 and large-size M10 high-efficiency single crystal cells in 2022, becoming the leading high-efficiency single crystal cell manufacturer in Taiwan, accounting for about 25% of Taiwan's high-efficiency and large-size single crystal cell market.

2. As of now, Sino-American Silicon Group has installed solar energy systems in Taiwan for more than 160MW, including 91MW of grid connection. Based on the accumulated solar energy installed capacity of 7.7GW in Taiwan at the end of 2021, the Company’s market share is about 1.2%. For the objective of this year, other than the rooftop of the plants, the Company will continuously and actively participate in the public tenders of local government or state-owned lands, as well as aqua-photovoltaics projects.

b. Semiconductor industry (Please find more information in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

3. Supply and Demand, and Growth in the Market of the Future

a. Solar energy industry

1. With the global initiatives of carbon neutrality and voluntary sustainability of enterprises, solar energy has become an unanimously recognized alternative

energy source in the world. As the price of solar energy modules decreases, the demand for solar power generation in various markets around the world will keep on growing. It is estimated that the global solar power generation demands in 2022 will reach a neutral target of 190GW, or an active target of exceeding 220GW (PVinfolink). It will gradually replace the general power generation and other convertible power generation forms and become the mainstream.

2. It is expected that for the global solar energy supply and demand scenario in 2022, in the second half of the year, with the successive release of additional capacities upstream, the shortage of materials in 2021 may be mitigated, and the overall supply chain is likely to develop steadily.

3. The Ministry of Economic Affairs has set the solar energy target by the end of 2022, to reach 11GW of cumulative installations, indicating that an additional 3GW of solar installations is required for this year, which is still very challenging. The first priority in the current solar photovoltaic promotion policy of Taiwan, is to promote the multiple uses of lands, by combining the existing use of the land with solar photovoltaic installations, including the aqua-photovoltaics, parking lots, polluted lands, among other fields.

4. In 2022, the basic FIT will only be slightly reduced, but to encourage the diversified development of solar energy while taking costs into account, the government has added additional mark-ons such as grid-connection construction expenses and strengthened the power grids. With the mark-ons, the tariffs are generally better than last year. It is expected that Taiwan's solar photovoltaic market will develop more vigorously in 2022. The main development directions:

   Direction 1: green power demands of the energy-heavy users
   The "Power Heavy User Clause" officially took effect in 2021, requiring companies with a contracted capacity of more than 5,000 kW to use 10% renewable energy. More than 300 companies in Taiwan are affected. Currently, regulations require that power heavy users may meet their obligations by setting up green power equipment, energy storage equipment, purchasing power generated with renewable energy and certificates, or paying cash. Setting up green power equipment and purchasing green power are the fastest and most effective way. The carbon fee is planned to be included in laws, and will be levied on major carbon emitters as soon as 2023. With the goal of net zero announced by various countries, domestic enterprises will face unprecedented pressure of carbon reduction, which in turn promotes the development of the green energy industry.

   Direction 2: The electronic market is liberalized, and the corporate renewable power purchase agreements (CPPA) market is robust.
   The National Renewable Energy Certification Center (hereinafter “T-REC Center”),

Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, has announced that the number of issued renewable energy certificates has exceeded one million, equivalent to 1 billion kWh, a key milestone in the development of green energy and certificates in Taiwan. With 21 electricity sellers, the strong trend in the green electricity trading market is seen when matching the price and conditions of green electricity supply and demand.

b. Semiconductor industry (Please find more information in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488))

4. Competitive niche
   a. Long-term R&D investment creates core competitive advantages and holds patents.
   b. Extensive cooperation between industry, government and university has a high level of product innovation capability.
   c. Work closely with downstream customers to grasp market demands and development trend.
   d. Long-term cooperation with raw material suppliers to grasp the stable supply of key raw materials and cost advantages.
   e. Abundant experience in establishment, maintenance, operation, and management of solar power stations.
   f. Vertically integrated company with the robustest financial position in the solar energy industry.

5. Advantages and disadvantages of development prospect

   a. Favorable factors

   <u>Solar Energy Industry</u>
   1. Although the solar PV industry is still not completely separated from the stage of government subsidies, more and more renewable energies enter the green power sales market, which has the value of sustainable operation and long-term development.
   2. R&D and process improvement is of international standard, which can help to improve product quality and competitiveness.
   3. Vertical integration and layout of export are complete. Combined with the government's vigorous promotion of green energy, it has comparative advantages.
   4. As the fourth nuclear power plant referendum is not passed, under the net zero policy without nuclear energy, such vacancy will be filled by renewable energies.
   5. The experience of managing power station with more than 137MW capacity enable the Company to accelerate the operation and maintenance business.
   6. The international green tide and the gigantic power user policy accelerate the green power industry’s development.
   7. With the experience of energy storage integration, the Company may participate

in the energy storage opportunities brought by Taipower and gigantic power users.

8. The government's energy transition policy, with the goal of 20GW solar photovoltaics by 2025, remains unchanged

Semiconductor industry

See details in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488)

b. Unfavorable factors and the response

Solar Energy Industry

1. The pricing power of the upstream materials is concentrated in very few manufacturers/single countries.
2. Various uncertainties regarding setting up fields in Taiwan, including the environment evaluation, feeders, and lands.
3. Uncertainties of geopolitics: China and the United States compete in the new energy industry, as well as the policy uncertainty of tariff barriers in various countries, will impact the global supply and demand and changes in prices.
4. The development of aqua-photovoltaics and fish farming are completely different areas. The feeders, land consolidation, and communication to fish farmers still need time and care to deal with, and balance among all parties is required.
5. The costs of raw materials and equipment remain high, and the delivery time is delayed.
6. Most of the power heavy users choose to build their own equipment, and EPCs with development capabilities may be contracted directly.

Coping measures

1. Actively develop new clients and new products with better price–performance ratio and large sizes.
2. Strengthen R&D links with downstream customers, develop efficient niche products by integrating core technological capabilities from both ends, increase added value, and actively reduce manufacturing costs to increase profit margins.
3. Establish the market value, cultivate markets in Taiwan, and integrate toward the downstream power stations with strategic partnership, to solidify and develop the green energy application opportunities.
4. Continue to communicate with landlords and fish farmers; select suitable species for farming, and the field design shall meet the farming demands. The existing farmers have the priority to lease first.
5. Implement the construction period control and project management efficiency, and increase the selections of raw material or equipment suppliers.
6. Strengthen self-development capabilities, and provide three-in-one service solutions of engineering, maintenance and operation, and green power, with market differentiation.

Semiconductor industry

See details in the annual report of GlobalWafers, the Company's subsidiary (stock code: 6488)

B. Important Uses and Production Processes of Major Products

1. Important uses of products

Product Name	Statement of Important Uses
High quality multi-crystalline silicon materials products for silicon-based application	Application of silicon material products and customized according to customer’s needs.
High Efficiency Mono-Si Solar Cell	1. The conversion efficiency of high-efficiency mono-Si solar cells is higher than 22.50%. 2. The conversion efficiency of high-efficiency mono-Si bifacial solar cells is higher than 22.50% and bifacility is higher than 65%. 3. The conversion efficiency of high-efficiency mono-Si Metal-Wrap-Through back-contact solar cells is higher than 22.60%. 4. The conversion efficiency of high-efficiency mono-Si solar cells with multi-busbar is higher than 22.50%.

2. Process

High quality multi-crystalline silicon materials

Silicon raw material → crystal growth → processing → crystal quality inspection → finished product inspection → packaging

Solar cells

Solar cells Wafer production→surface roughening→surface diffusion layer formation→ surface cleaning and edge insulation→ formation of anti-reflection layer and passivation layer on the surface→metallization and sintering→ solar cell efficiency measurement and classification

C. Supply of main raw materials

Product Item	Main Raw Materials	Major Suppliers	Supply Situation
Wafer	Polysilicon	Company A, Company B, Company C	Good

D. List of major purchasing and selling customers in the last two years

1. List of Main Purchasing Customers in the Last Two Years

Unit: NT$ thousands

	2020				2021			
Item	Company Name	Amount	Percent in the Total Annual Net Purchases	Relation with Issuer	Company Name	Amount	Percent in the Total Annual Net Purchases	Relation with Issuer
1	A	2,024,347	10.47	None	A	2,175,879	9.51	None
2	B	1,069,073	5.53	None	B	1,989,474	8.70	None
3	C	891,061	4.61	None	C	1,215,355	5.31	None
4	Other	15,347,435	79.39	None	Other	17,499,056	76.48	None
	Net purchase	19,331,916	100.00		Net purchase	22,879,764	100.00	

Note 1: The name and purchasing amount of suppliers whose proportion of purchasing is higher than 10% of the total purchases in the last two years should be listed. However, if the contract stipulates that the name of the supplier or the object of the transaction is an individual and non-related person, it can be coded.

Note 2: Up to the date of publication of the annual report, companies listed or whose stocks have been bought and sold in the securities firm's business premises should disclose the latest financial information which has been audited and verified by the accountant.

Note to the changes:

Mainly because the easing pandemic resulted the active solar energy and semiconductor markets, and the shortages of labor and materials made the price of raw materials to soar, and the procurement from each supplier inherently became active to secure the needed materials.

2. List of Main Selling Customers in the Last Two Years

Unit: NT$ thousands

	2020				2021			
Item	Company Name	Amount	Percent in the Total Annual Net Sales	Relation with Issuer	Company Name	Amount	Percent in the Total Annual Net Sales	Relation with Issuer
1	B	10,936,309	17.81	None	B	12,789,073	18.58	None
	Other	50,460,990	82.19	None	Other	56,052,177	81.42	None
	Net sales	61,397,299	100.00		Net sales	68,841,250	100.00	

Note 1: The name and selling amount of customers whose proportion of selling is higher than 10% of the total sales in the last two years should be listed. However, if the contract stipulates that the name of the customer or the object of the transaction is an individual and non-related person, it can be coded.

Note 2: Up to the date of publication of the annual report, companies listed or whose stocks have been bought and sold in the securities firm's business premises should disclose the latest financial information which has been audited and verified by the accountant.

Note to the changes:

Mainly because the easing pandemic resulted the active solar energy and semiconductor markets, and the sales amounts to each customer increased.

E. Production in the Last Two Years

Unit: NT$ thousands

Output / Major Products (Year)	2020			2021		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Solar Ingot (thousand kg)	943	695	925,780	1,954	1,319	1,324,586
Solar Silicon Wafer (thousand pieces)	0	0	0	0	0	0
Semiconductor Crystal Rod (thousand pieces)	354	233	1,257,199	344	299	1,429,890
Semiconductor Wafer (thousand pieces)	57,744	52,792	34,012,309	60,978	57,035	35,689,395
Solar Cells (thousand pieces)	80,256	73,571	2,095,820	71,435	67,516	2,372,289
Total	—	—	38,291,108	—	—	40,816,160

Note 1: Capacity refers to the amount of production that the Company can reach under normal operation by using existing production equipment after measuring factors such as necessary shutdown and holidays.

F. Sales in the Last Two Years

Unit: NT$ thousands

Sales / Major Products (Year)	2020				2021			
	Local		Export		Local		Export	
	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity
Solar Ingot (thousand kg)	—	—	288	928,837	—	—	475	1,624,328
Solar Silicon Wafer (thousand pieces)	24,282	169,864	200	925	10,704	141,751	4,250	75,278
Semiconductor Crystal Bar and Wafer (thousand pieces)	10,065	9,925,728	32,539	45,333,758	10,606	10,218,862	37,467	50,779,188
Solar Cells (thousand pieces)	64,352	1,318,436	30,201	618,754	50,580	1,769,102	22,059	716,197
Solar Modules (thousand pieces)	6	19,446	325	1,573,650	17	57,772	335	1,625,110
Other	—	600,477	—	907,423	—	697,742	—	1,135,920
Total	98,705	12,033,951	63,553	49,363,348	71,907	12,885,229	64,586	55,956,021

III. Employee Data for the Last Two Years

Year		2020	2021	As of March 31, 2022
Number of Employees	Staffs	260	264	269
	Operators	407	393	400
	Total	667	657	669
Average Age		39	40	38.36
Average Years of Service		8	8	7.65
Education	Doctorate degree	0.45%	0.46%	0.45%
	Masters	13.04%	12.48%	12.71%
	Junior College	61.62%	61.04%	60.39%
	Senior High School or below	24.89%	26.03%	26.46%

Note: Not include subsidiary.

IV. Environmental Protection Expenditures

A. According to the Law, a Company Shall Apply Permission for Pollution Facilities Placement, Pollutant Emission; Pay Prevention Fee; Set up Environmental Department, above Explanations are as below: The Company has applied Permission for Pollution Facilities Placement and set up Environmental Department to deal with related Matters.

B. Investment of pollution preventing main facilities, and the purposes and possible benefits:

1. Pollution and its improvement
   In order to prevent the occurrence of environmental pollution, we have successively carried out the renovation and improvement of old pollution prevention and control equipment in plants, and continuously strengthened the education and training of operators.

2. Environmental Protection Expenditure in the Recent Year
   Environmental Protection Expenditure in 2021:
   The total cost of air pollution prevention and maintenance was NT$17,032 thousand.
   The total cost of treatment and maintenance of industrial wastewater was NT$30,636 thousand.
   The total cost of industrial waste treatment and maintenance was NT$12,629 thousand.
   The total cost of other environmental protection expenditures was NT$465 thousand.

3. Expected improvement
   The investment of the above pollution prevention and control equipment can effectively respond to the amendment to environmental protection laws and regulations, and the

environmental pollution of wastewater and waste gas can be more effectively treated and reduced to ensure its discharge quality.

C. The Company shall specify if there's any conflict related to pollution in the last two years to the date issued annual report:
There was no pollution dispute in 2020 and 2021.

D. The Company shall specify the total amount of loss (Including compensation), punishment of environment pollution, and disclose future countermeasures (Including Improvement) and possible expenditures (Including estimate of possible loss, punishment, compensation, or specify facts if cannot be estimated) in the last two years to the date issued annual report:
There was no penalty imposed in 2020 and 2021.

E. Effects of current pollution condition and improvement to company profit, competition and capital expense, with anticipated major environmental protection expenditures in the next two years:
None.

F. Relevant information of the Company complying with the European Union Environmental Protection Directive (RoHS):
Samples of banned and restricted substances of wafer based on RoHS were sent for testing in accordance with the business demands.

V. Labor Relations

A. The Company's employee welfare measures, further education, training, retirement system and its implementation, as well as labor agreements and various measures to safeguard employees' rights and interests

1. Employee welfare measures:

   a. High-quality salary, and fair and just incentive and promotion methods are provided to recognize the contributions of all colleagues to the Company. In addition to general benefits such as labor insurance, health insurance, group insurance and pension payment, the benefits provided by the Company to staffs include festival bonuses, birthday and festival gifts, year-end party, weddings and funerals, domestic and foreign tourism, emergency relief, scholarship, birth allowance, group lunch, equity incentive plan, complete education and training, etc. Since 2021, the trust of employee shareholding was also added. Employees may evaluate on their own whether to join or not, and participants are given rewards equal to 100% of the amount contributed by themselves.

   b. 0.1% of the monthly turnover and 40% of the sales income is allocated to the Employee Welfare Committee each month, which is operated by its members in accordance with relevant regulations.

c. The company fully recognizes that the health of all employees is critical to work efficiency, and hopes to create a safe working environment by caring for employees. Since 2020, the Employee Caring Program has been established. Through the formation of cross-departmental teams, an overall plan has been formulated to provide employees with work, health, life, and welfare, and improve overall employee welfare.

2. Employees' further education and training and their implementation:
The Company provides diversified training courses and various professional on-the-job training and self-development courses, including new entrant training, on-the-job training courses, labor safety and health education training, professional courses and various post-related assignment training courses, in order to cultivate professionally competent and challenging talents.

3. Retirement system and its implementation:

a. There are two types of retirement: voluntary retirement and compulsory retirement.

<u>Voluntary retirement</u>
Those who have worked for more than 15 years and are over 55 years old, those who have worked for more than 25 years or those who have worked for more than 10 years and are over 60 years old.

<u>Compulsory retirement</u>
The Company may compel a person who is over 65 years old from May 14th, 2008 or who is mentally or physically disabled and incompetent to retire.

b. The calculation of seniority: Calculated from the date of arrival. The seniority in the period of leaving without pay should be deducted.

c. Standards of pension payment:

<u>Old system</u>
Two bases are given for each year of service. For over 15 years of service, a base is given every year, but the maximum is 45 bases. Less than half a year is counted as half a year, and more than half a year is counted as one year. If the mental or physical disability of a compulsorily retired worker is caused by the performance of his duties, the base of his pension should be increased by 20% in accordance with provisions of the preceding paragraph.

<u>New system</u>
If the new system was chosen after July 2005, the seniority should be calculated by the old system before July 2005, and by the new system after July 2005.

d. The pension of employees arriving after July 2005 is calculated according to the new system (The employer allocates 6% of salary each month and deposits in the personal account of the Labor Insurance Bureau).

4. Labor agreements:
The Company's provisions are based on the Labor Standard Law as a guideline. In accordance with the implementation measures of the Labor Conference, labor meetings are held regularly. Labor relations have always been quite harmonious, and communication channels are unblocked. At the same time, through the joint discussion of the Labor Conference and the Staff Welfare Committee, the mutual benefit and other issues between the two sides are negotiated. In addition to further understanding of each other's needs and expectations, all our colleagues work together to create the future of the Company based on the business philosophy of coexistence and co-prosperity.

5. Protection measures of employees' rights and interests:
The Company has a sound management system, which sets out various management measures, stipulates the rights and obligations of colleagues and welfare items, and irregularly reviews and revises the welfare content to safeguard the rights and interests of all colleagues.

B. Losses incurred as a result of labor disputes in recent years and up to the date of publication of the annual report, and disclosure of current and future possible estimated amounts and response measures:
The Company's labor relations are harmonious and labor disputes are mediated in accordance with the adjustment procedures. In recent years and up to the date of publication of the annual report, there was no loss due to labor disputes.

C. Employees' behaviors or ethical codes:

In order to let all employee understand employees' behaviors and ethics as well as enhance internal cohesion, the Company has formulated relevant measures and regulations to be followed by the Company's management and all employees. The relevant measures and codes are summarized as follows:

1. Provisions of layered responsibilities and delegation of authorization:
The Company implements layered responsibilities. There are also substitutes staff at all levels, all departments comply with provisions of delegation of authorization to ensure the normal operation of the Company's business.

2. Formulate reward and punishment methods: Except for those in the rules of the Company, the rewards can be divided into three categories:
Reward, small merit and big merit. The punishment can be divided into three categories: admonition, small demerit and big demerit.

3. Implement measures for maintaining business secrets:

In order to ensure the Company's business secrets and intellectual property rights, employees are asked to follow the non-compete clause in business. Employees are required to sign contracts for keeping business secrets and attribution of intellectual property rights.

4. Employees' annual performance evaluation methods:
   To enhance the morale and performance of the Company's employees, explore outstanding talents, and make employee promotion, rewards and punishments fair and reasonable.

5. Sexual harassment prevention and treatment measures:
   In order to safeguard gender equality in work and personal dignity, the Company strictly prohibits sexual harassment in the workplace, and specifies rules and employee complaint channels to regulate employees' behaviors in the workplace.

6. Principles of work and codes of conduct for colleagues:
   In order to clearly regulate the rights and obligations of both employer and employees, improve the management system of modern operation, and urge all employees to work together to achieve the goal of high utilization of human resources and seek for business development, the Company has formulated these rules with reference to relevant laws and decrees.

   The main contents are as follows:
   Chapter 1 Personnel Appointment
   Chapter 2 Attendance
   Chapter 3 Working Overtime and Duty on Holidays
   Chapter 4 Salaries, Allowances and Bonuses
   Chapter 5 Performance Evaluation, Rewards and Punishments, Promotion and Mobilization
   Chapter 6 Resignation, Leaving without Pay, Lay-off, Removal and Retirement
   Chapter 7 Labor, Health, Group and Employment Insurance
   Chapter 8 Employee Welfare Committee
   Chapter 9 Marriage, Funeral, Birthday Celebration, Emergency Relief and Assistance
   Chapter 10 Compensation and Pension for Occupational Disasters
   Chapter 11 Labor Safety and Health
   Chapter 12 Communication System and Others

7. The rewards and punishments in plant regulations and the rules to be followed by employees of plant:
   The plant has formulated “Code of Work for Colleagues” for behaviors and ethics of employees in the plant. It ensures the quality of products of the Company and conforms to the operating standards. Rules for entering and leaving the plant, establishing a good working environment and providing work efficiency to maintain the image of the

Company as well as improving the quality of employees should be followed.

a. Follow the rules of work and all laws, regulations and rules.
b. Obey the distribution, guidance, management and assignment of supervisors at all levels without putting off.
c. Do not operate business related to the Company's business or use the name of the Company without authorization.
d. Do not seek personal interests through the use of power or official status or information.
e. The Company's colleagues should abide by the rules and not disclose the Company's technology, management and business secrets.
f. Without the consent of the Company, no company information should be released to the communication industry without authorization.
g. Confidential information of the Company should not be collected or disseminated privately.
h. No contraband or inflammable articles should be brought into the Company or production area.
i. Do not enter the prohibited area with warning slogans or bring relatives, friends and employees who have left the Company into the workplace without permission
j. The salaries of our colleagues should be treated as confidential. Also, it should not be arbitrarily told to others, and the compensation of other colleagues should not be asked about.
k. Do not gamble, take drugs, smoke, eat betel nut or act indecent in the workplace.
l. Alcoholic beverages should not be consumed during working hours.
m. Public property should be cherished, and should not be wasted, damaged, changed or used privately.
n. Pay attention to appearance, and wear overalls and company service certificates.

General rules formulated to standardize all employees' compliance, ensure that the quality of our products meets the operating standards, and provide work efficiency to maintain the image of the Company and improve the quality of employees. The above measures and regulations should be trained upon the arrival of new employees, and the latest edition should be announced on the bulletin board in the plant for staffs to enquire at any time.

D. Measures to Protect the Working Environment and Personal Safety of Employees

According to the Labor Safety and Health Law, the Company has established “the Labor Safety and Health Management Unit”, set up the management personnel of the Labor Safety and Health Business, and formulated “the Labor Safety and Health Management Guidelines.” The main contents related to the working environment of the plant area and the protection of personal safety of employees are summarized as follows:

1. Work environment regulations and measures

   a. Staffs should always pay attention to self-adjustment of physical and mental health and develop good hygienic habits.

b. The workplace should be tidied up in proper time and kept clean and tidy.
c. Smoking, eating betel nut and drinking alcoholic beverages are strictly prohibited in the plant.
d. Smoking should be in the prescribed smoking room and the cigarette butt should not be discarded at will.
e. Protective devices should be correctly used when hazardous substances are disposed of.
f. Hazardous substances should be clearly marked and should not be damaged arbitrarily.
g. Water drinking equipment that meets the drinking water standards should be installed in appropriate places in the workplace and regularly cleaned, and the water quality should be tested.
h. Disinfect the whole plant area every year.
i. Toilets should be well ventilated, cleaned and disinfected.
j. All employees must keep the 6S environment clean and hygienic in the plant area and form good habits.
k. No spitting, drowning, throwing of cigarette butts or littering is allowed.

2. Protection of personal safety of employees
   a. All work should be carried out and audited in accordance with relevant safety standards, operating procedures and safety checklist of working procedures.
   b. If temporary or non-regular operations do not have such safety standards to follow, they should not be conducted. Flexibly use existing safety standards and decide on the safety steps and methods to be adopted after discussion with the person in charge of the operation.
   c. Safety hats and belts should be worn by those who are engaged in elevated work with a height of more than two meters or work with objects fallen or fallen apart, inspectors and supervisors.
   d. Safety belts and auxiliary ropes or safety ropes should be used correctly in the operation on pipes, towers or racks which are not installed with platforms and guardrails and are above two meters above the ground or at the edges and openings of workplaces.
   e. When partial blackout operation is implemented for substation equipment or plant area, the blackout operation scope should be enclosed and isolated by the iron network or construction warning belt, and the signs of “blackout operation” or “power danger” should be suspended separately for warning purposes. After the completion of the operation, it should be confirmed that the employees who are engaged in the operation have left without the risk of induction before removal.
   f. Personal protective devices should be worn in accordance with the regulations of each station in work. If unsafe conditions, equipment and operation methods are

found, they should be reported immediately.

g. Chasing, bantering or other unsafe acts are prohibited in work.

h. The maximum operating load of machines and tools should not be exceeded in use.

VI. Cyber Security Management

A. Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

The Company established the Cyber Security Division on March 1, 2022 officially, to coordinate the prescription, implementation, risk management and compliance of cyber security and safeguard related policies. The Company appoints the Chief Information Security Officer (CISO), supervising the implementation of the cyber security operation company-wide, and the effectiveness of the cyber security management mechanism. The CISO also reports the cyber security management operations related to the overall cyber security management organization, and the implementation performance of the system.

The Company is subject to annual information system and cyber security inspection led by the auditing unit, and the status of audit is regularly reported to the Board of Directors.

The Company takes "Information Security Governance" as the theme of the information security strategy – pursuit in compliance with the Information Security Policy, with timely introduction of new technologies for the improvement of the capacity in security information governance. "Compliance" – the Company reviews newly enacted legal rules and regulations and introduces new technology products for enhancing information security management. "Application of Technology" – cooperation with famous professional information security service provider to make improvement of information security governance capacity in these 3 aspects. Through close cooperation and mutual support, and endless improvement, the Company optimizes its capacity in overall information security defense.

The Company has adopted the PDCA cycle operation model to achieve the objectives and provide continuous improvement, established information security monitoring and vulnerability scanning systems to prevent external hacker intrusions and internal secret theft, and implemented strict software and hardware control (including Internet and personal information equipment) to ensure personal data and internal confidential data protection and security.

The information security management and control mechanism is implemented in three major aspects (as follows) to ensure effective information security protection and reduce risks:

1. Information System Security Management
   a. Install endpoint protection software on servers and personal computers or laptops,

and automatically update virus definitions or signatures.

b. Construct email security gateway equipped with information security modules such as spam filtering, malicious file detection, and phishing email detection in order to enhance email attack protection.
c. Important systems and databases are regularly backed up and stored off-site to ensure data availability.
d. The information system vulnerability scanning is conducted periodically and the holes in the loop of the system are fixed.
e. The computer operation systems or servers are updated for securities based on the cyber risks.
f. Established a firewall in the internal network and set up firewall rules to protect important information systems.
g. Performed annual disaster recovery exercise drill for important application systems.

2. Information System Access Control
   a. Strictly control the application system and file access setting permissions to ensure information confidentiality.
   b. Formulate and implement account/password complexity principles, and update passwords regularly to ensure the validity of identity authentication.
   c. For employees who have resigned and changed departments, the information department shall adjust the permissions according to documents to ensure real-time and correct data permission & authorization.
   d. The Company has established the management procedures for non-employees (suppliers and contractors) to apply accounts and access the systems. Once the application is approved, the access will be granted for them to enter the system, and the handling status is recorded.
   e. No personal terminal device is permitted to be connected with any external storage medium.
   f. Personal computers are prohibited from connecting to the Company’ s network and resources, and the device authentication management mechanism is established.

3. Network Security Management
   a. Established a firewall to protect the network's external connections, and analyzed the firewall's anomaly records to strengthen protection.
   b. A multi-loop mechanism is adopted to connection to the Internet and the Company's internal network interface in order to prevent disconnection.
   c. An information service monitoring platform has been set up to monitor network traffic and connection status, which can resolve any network related problems in real time.
   d. The information department delivers security reminders to all colleagues irregularly to remind colleagues to remain alert for the emails received in order to prevent the increasingly serious phishing and malicious fraud letter problems.

e. The internal staff’ s computers all must have anti-virus software installed. Once the anti-virus control platform finds a virus, it will send a notification letter to the IT personnel for computer virus removal.
f. The remote connection to the internal network when the employees are out of office are limited to these compliant with the cyber security controls. Only these employees who are required to perform the required tasks may connect to the Company via remote connection via an authorization, and the VPN security connection with multi-factor authentication must be applied.

In light of the new trend of information security such as DDoS attack, blackmail software, community engineering software, website side recording, and loopholes, the Company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and SP-ISAC of the Industrial Park. Through the annual exchange with famous information security service providers and programs, the Company pays close attention to issues related to information security and planned for proper response. The Company also conducts exercise drills against DDoS and APT under different information security environments to strengthen the capacity of the management staff in response to the situation with a view to detecting and deterring attack once discovered.

Every year, the Company conducts the “Cyber Security Related Trainings” to all employees. In 2021, 14 sessions for 14 hours were provided. The cyber security dedicated personnel appointed (currently two) this year must receive at least 15 hours of professional cyber security trainings per person per year.

Considering that information security insurance is still a new type of insurance, which involves the relevant supporting facilities such as information security grade testing institutions, claim recognition and non-payment conditions, the coverage of the information security insurance will be further reviewed. The follow-up objectives will be to give priority to complete related norms of information security, make regular information security inspections, continuously strengthen information security protection and establish the joint defense mechanism, to be more active in the training of information security talents, and increase the training hours of information security-related courses year by year, so as to improve the ability of information security control and management.

B. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The wholly-owned Japan's subsidiary, GlobalWafers Japan Co., Ltd. of the subsidiary, GlobalWafers was attacked by virus on February 28, 2022, and the operation has been fully normalized by the end of March 2022; the incident did not materially affect the Company’s finance and business.

Although the incident did not cause any material damage to the Company, the Company will continue to improve and enhance the information security defense, and communicate the cyber security with employees.

The future directions of improvement are as following:

a. Dedicated information security unit (established on March 1, 2022 officially).
b. The Company reviewed the Information and Cyber Security Management Procedures, and published such to each subsidiary for implementation. A third-party professional consultant has been engaged to review the Information and Cyber Security Management Procedures together.
c. Enhance the promotions and trainings of cyber security concepts to employees.
d. Add more firewalls, to minimize the infected scope by effectively limiting the infected area after being attacked.
e. The information security diagnosis is conducted annually, and correct and prevent the potential information security vulnerabilities based on the diagnosis outcomes.

VII. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land Lease Agreement	Bureau of Hsinchu Science Park	2008.01.26～2027.12.31	The area is 13,000 square meters.	Limited-purpose business use
Land Lease Agreement	Bureau of Hsinchu Science Park	2020.05.26～2039.12.31	The area is 9,985.7 square meters.	Limited-purpose business use
Sales Contract	Customer B B-2	2009~2025	Sales contract	None
Sales Contract	Customer B B-3	2009~2025	Sales contract	None
Sales Contract	Customer B B-4	2010~2025	Sales contract	None
Sales Contract	Customer B B-5	2011~2025	Sales contract	None
Sales Contract	Customer D D-2	2006~2025	Sales contract	None
Sales Contract	Customer D D-3	2009~2025	Sales contract	None
Sales Contract	Customer D D-4	2009~2025	Sales contract	None
Sales Contract	Customer F F-2	2009~2021	Sales contract	None
Sales Contract	Customer G	2022~2025	Sales contract	None
Sales Contract	Customer H	2021~2024	Sales contract	None
Supplier Contract	Supplier A A-4	2013~2031	Silicon Raw Material Contract	None
Supplier Contract	Supplier B B-3	2013~2027	Silicon Raw Material Contract	None

VI. Financial Information

I. Five-Year Concise Balance Sheet, Profit and Loss Statement and Audit Opinions of Accountants

A. Concise Balance Sheet

1. Concise Balance Sheet- Based on IFRS (Consolidated)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years					Financial information for the year ended March 31, 2022 (Note 1)
		2017	2018	2019	2020	2021	
Current assets		41,006,059	57,260,849	55,165,633	52,691,024	91,219,414	96,518,916
Funds and investments		3,499,459	3,528,186	3,943,497	7,760,645	26,619,075	20,344,169
Property, plant and equipment (Note 2)		37,528,808	37,438,555	40,276,715	42,455,037	40,428,472	41,595,816
Intangible assets		3,939,134	3,649,397	3,227,583	2,797,463	3,025,349	3,014,136
Other assets (Note 2)		3,369,074	2,108,328	6,770,068	4,248,612	5,958,975	5,730,525
Total assets		89,342,533	103,985,315	109,383,496	109,952,781	167,251,285	167,203,562
Current liabilities	Before distribution	17,328,624	30,153,693	30,160,394	32,557,129	35,222,387	32,134,457
	After distribution	21,237,705	31,510,656	31,675,367	35,781,348	37,246,141	34,158,211
Non-current liabilities		23,885,656	25,917,757	30,607,061	27,726,170	79,865,960	81,169,195
Total liabilities	Before distribution	45,565,622	56,071,450	60,767,455	60,283,299	115,088,347	113,303,652
	After distribution	45,565,622	57,428,413	62,282,428	63,507,518	117,112,101	115,327,406
Equity attributable to shareholders of the parent		27,140,872	26,881,716	26,670,241	28,160,826	28,537,082	29,437,707
Capital stock		5,920,587	5,862,877	5,862,217	5,862,217	5,862,217	5,862,217
Capital surplus		24,205,831	21,757,292	21,072,595	19,481,234	18,304,186	18,160,760
Retained earnings	Before distribution	507,252	2,332,634	3,566,891	6,213,241	9,809,686	11,074,758
	After distribution	507,252	975,671	2,051,918	2,989,022	7,785,932	9,051,004
Other equity interest		(3,322,937)	(3,071,087)	(3,831,462)	(3,395,866)	(5,439,007)	(5,660,028)
Treasury stock		(169,861)	—	—	—	—	—
Non-controlling interest		16,636,039	21,032,149	21,945,800	21,508,656	23,625,856	24,462,203
Total equity	Before distribution	43,776,911	47,913,865	48,616,041	49,669,482	52,162,938	53,899,910
	After distribution	43,776,911	46,556,902	47,101,068	46,445,263	50,139,184	51,876,156

Note 1: The financial data of the first quarter of 2022 have been audited by accountants.
Note 2: The Company has not conducted asset revaluation.
Note 3: The earnings distribution of 2021 had resolved by Board of Directors on 9th December, 2021 and 5th May, 2022.

2. Concise Balance Sheet- Based on IFRS (standalone)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1) 2017	2018	2019	2020	2021	Financial information for the year ended March 31, 2022
Current assets		5,545,531	3,786,845	2,744,744	4,278,965	5,700,594	—
Funds and investments		22,253,878	26,965,810	28,067,953	30,594,192	31,639,209	—
Property, plant and equipment (Note 2)		6,333,415	3,589,549	3,226,668	3,265,859	3,086,409	—
Intangible assets		—	—	—	—	—	—
Other assets (Note 2)		719,375	150,695	249,009	307,934	339,229	—
Total assets		34,852,199	34,492,899	34,288,374	38,446,950	40,765,441	—
Current liabilities	Before distribution	4,490,335	3,936,996	1,717,781	5,094,531	7,504,149	—
	After distribution	4,490,335	5,293,959	3,232,754	8,318,750	9,527,903	—
Non-current liabilities		3,220,992	3,674,187	5,900,352	5,191,593	4,724,210	—
Total liabilities	Before distribution	7,711,327	7,611,183	7,618,133	10,286,124	12,228,359	—
	After distribution	7,711,327	8,968,146	9,133,106	13,510,343	14,252,113	—
Equity attributable to shareholders of the parent		27,140,872	26,881,716	26,670,241	28,160,826	28,537,082	—
Capital stock		5,920,587	5,862,877	5,862,217	5,862,217	5,862,217	—
Capital surplus		24,205,831	21,757,292	21,072,595	19,481,234	18,304,186	—
Retained earnings	Before distribution	507,252	2,332,634	3,566,891	6,213,241	9,809,686	—
	After distribution	507,252	975,671	2,051,918	2,989,022	7,785,932	—
Other equity interest		(3,322,937)	(3,071,087)	(3,831,462)	(3,395,866)	(5,439,007)	—
Treasury stock		(169,861)	—	—	—	—	—
Non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	27,140,872	26,881,716	26,670,241	28,160,826	28,537,082	—
	After distribution	27,140,872	25,524,753	25,155,268	24,936,607	26,513,328	—

Note 1: The financial data of the last five years have been audited by the accountants.

Note 2: The Company has not conducted asset revaluation.

Note 3: The earnings distribution of 2021 had resolved by Board of Directors on 9th December, 2021 and 5th May, 2022.

B. Concise Profit and Loss Statement and Concise Comprehensive Profit and Loss Statement

1. Concise Consolidated Profit and Loss Statement- Based on IFRS (Consolidated)

Unit: NT$ thousands; only the unit of earnings per share is NT$

Year / Item	Financial Summary for The Last Five Years (Note 1)					Financial information for the year ended March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Operating revenues	59,371,198	69,238,945	65,510,225	61,397,299	68,841,250	18,769,419
Gross profit from operations	11,403,236	18,641,853	19,267,539	21,113,599	24,526,644	7,462,178
Operating profit and loss	6,325,002	13,177,505	13,515,421	14,932,097	18,079,993	6,205,408
Non-operating income and expenses	(1,199,261)	140,728	408,748	1,306,093	(874,266)	(5,502,429)
Income before income tax	5,125,741	13,318,233	13,924,169	16,238,190	17,205,727	702,979
Net income of the unit continuing business in the current period	3,518,628	8,635,480	8,895,345	12,711,062	12,615,390	2,148,747
Loss from the unit out of business	—	—	—	—	—	—
Net income (loss) in the current period	3,518,628	8,635,480	8,895,345	12,711,062	12,615,390	2,148,747
Other comprehensive income in the current period (Net after-tax amount)	(64,089)	(53,850)	(896,474)	498,604	(4,066,698)	(269,766)
Total comprehensive income in the current period	3,454,539	8,581,630	7,998,871	13,209,666	8,548,692	1,878,981
Net income attributable to shareholders of the parent	1,035,505	1,950,503	2,248,386	6,326,235	6,811,050	1,265,072
Net income attributable to non-controlling interest	2,483,123	6,684,977	6,646,959	6,384,827	5,804,340	883,675
Comprehensive income attributable to shareholders of the parent	971,676	1,604,225	1,774,007	6,627,194	4,845,754	1,042,634
Comprehensive income attributable to non-controlling interest	2,482,863	6,977,405	6,224,864	6,582,472	3,702,938	836,347
Earnings per Share	1.8	3.36	3.86	10.82	11.62	2.16

Note 1: The financial information of the last five years have been audited by the accountants.

Note 2: Financial data for the first quarter of 2022 has been reviewed by accountants.

2. Concise Consolidated Profit and Loss Statement-Based on IFRS (Standalone)

Unit: NT$ thousands; only the unit of earnings per share is NT$

Year / Item	Financial Summary for The Last Five Years (Note 1)					Financial information for the year ended March 31, 2022
	2017	2018	2019	2020	2021	
Operating revenues	11,282,980	8,430,747	6,002,885	5,430,346	8,137,094	—
Gross profit from operations	(676,632)	(3,787,340)	(3,892,165)	182,287	838,009	—
Operating profit and loss	(1,090,541)	(4,270,921)	(4,362,878)	(493,050)	248,136	—
Non-operating income and expenses	2,115,992	6,296,677	6,689,226	6,797,708	6,566,561	—
Income before income tax	1,025,451	2,025,756	2,326,348	6,304,658	6,814,697	—
Net income of the unit continuing business in the current period	1,035,505	1,950,503	2,248,386	6,326,235	6,811,050	—
Loss from the unit out of business	—	—	—	—	—	—
Net income (loss) in the current period	1,035,505	1,950,503	2,248,386	6,326,235	6,811,050	—
Other comprehensive income in the current period (Net after-tax amount)	(63,829)	(346,278)	(474,379)	300,959	(1,965,296)	—
Total comprehensive income in the current period	971,676	1,604,225	1,774,007	6,627,194	4,845,754	—
Net income attributable to shareholders of the parent	1,035,505	1,950,503	2,248,386	6,326,235	6,811,050	—
Net income attributable to non-controlling interest	—	—	—	—	—	—
Comprehensive income attributable to shareholders of the parent	971,676	1,604,225	1,774,007	6,627,194	4,845,754	—
Comprehensive income attributable to non-controlling interest	—	—	—	—	—	—
Earnings per Share	1.8	3.36	3.86	10.82	11.62	—

Note 1: The financial information of the last five years have been audited by the accountants.

C. Names of CPAs and Opinions of Audit in the Last Five Years

Year	CPA	Content of Opinions	Remarks
2017	Chen-Chien Chen An-Chih Cheng	Unqualified opinions	Note 1
2018	Chen-Chien Chen An-Chih Cheng	Unqualified opinions	Note 1
2019	Chen-Chien Chen An-Chih Cheng	Unqualified opinions	Note 1
2020	Chen-Chien Chen An-Chih Cheng	Unqualified opinions	—
2021	An-Chih Cheng Mei-Yu Tseng	Unqualified opinions	—

Note 1: The financial statements of the invested company in the previous financial statements have not been audited by this accountant, but by other accountants. Therefore, in the opinions expressed by this accountant in the previous financial statements, the amount listed in the financial statements of the invested company is based on the audit report of other accountants.

II. Five-Year Financial Analysis

A. Financial Analysis-Based on IFRS (Consolidated)

Item (Note 2)		2017	2018	2019	2020	2021	Financial information for the year ended March 31, 2022 (Note 1)
Financial structure (%)	Debt ratio	51	54	56	55	69	68
	Ratio of long-term capital to property, plant and equipment	162	197	197	182	327	325
Solvency (%)	Current ratio	145	190	183	162	259	300
	Quick ratio	105	161	157	136	232	270
	Interest earned ratio (times)	11.05	57.86	88.22	153.71	206.77	78059
Operating performance	Accounts receivable turnover (times)	6.84	7.40	7.13	7.26	7.53	7.28
	Average collection period	53.86	49.32	51.19	50.27	48.47	50.14
	Inventory turnover (times)	4.86	5.64	6.05	5.26	5.35	5.08
	Accounts payable turnover (times)	8.21	9.56	9.82	9.61	10.08	9.96
	Average days in sales	75.1	64.71	60.33	69.39	68.22	71.85
	Property, plant and equipment turnover (times)	1.5	1.85	1.69	1.48	1.66	1.83
	Total assets turnover (times)	0.69	0.72	0.61	0.56	0.50	0.45
Profitability	Return on assets (%)	4.57	9.11	8.45	11.67	9.29	5.37
	Return on equity (%)	9.91	18.84	18.43	25.87	24.78	16.21
	Pre-tax income to paid-in capital (%) (Note 7)	86.57	227.15	237.52	277.00	293.50	47.97
	Net profit ratio (%)	5.93	12.47	13.58	20.70	18.33	11.45
	Earnings per share (NT$)	1.79	3.36	3.86	10.82	11.62	2.16
Analysis of Cash Flow	Cash flow ratio (%)	54.43	119.68	62.44	44.79	87.96	106.29
	Cash flow adequacy ratio (%)	107.54	192.05	181.54	159.60	152.26	171.93

	Cash reinvestment ratio (%)	13.88	28.29	13.42	8.90	15.27	17.66
Leverage	Operating leverage	3.76	2.33	2.27	2.20	2.04	1.75
	Financial leverage	1.09	1.02	1.01	1.01	1.02	1.02

Please explain the reasons for the changes in financial ratios in the last two years. (If the increase or decrease is less than 20%, it can be exempted from analysis.)

1. Debt ratio (%): Semiconductor business group issued corporate bond and received long-term contract payments, resulting in a relative increase in debt ratio.
2. Ratio of long-term capital to property, plant and equipment (%): Semiconductor business group issued corporate bond and received long-term contract payments, resulting in long-term liabilities increase, and a relative increase in Ratio of long-term capital to property, plant and equipment.
3. Current ratio (%): Semiconductor business group issued corporate bond and received long-term contract payments, resulting in cash and cash equivalents increase, and a relative increase in Current ratio.
4. Quick ratio (%): Semiconductor business group issued corporate bond and received long-term contract payments, resulting in cash and cash equivalents increase, and a relative increase in Quick ratio.
5. Interest earned ratio (times): Semiconductor business group received long-term contract payments, resulting in interest expense increase, and a relative increase in Interest earned ratio.
6. Return on assets (%): Semiconductor business group issued corporate bond and received long-term contract payments, resulting in cash and cash equivalents increase, and a relative decrease in Return on assets.
7. Cash flow ratio (%): Semiconductor business group received long-term contract payments, resulting in an increase in cash inflows from operating activities, and a relative increase in Cash flow ratio.
8. Cash reinvestment ratio (%): Semiconductor business group received long-term contract payments, resulting in an increase in cash inflows from operating activities; new domestic and foreign equity investment targets, resulting in an increase in cash reinvestment ratio.

Note 1: Financial data for the first quarter of 2022 has been reviewed by accountants.

Note 2: At the end of this table in the annual report, the following calculation formulas should be listed:

1. Financial structure
   (1) Debt ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets-inventory-prepaid expenses)/ current liabilities.
   (3) Interest earned ratio (times) = net income before income tax and interest expense/ interest expenditure of the current period.
3. Operating performance
   (1) Accounts receivable (including receivables and notes receivable arising from business) turnover=net sales/ average receivable balance of different periods (including receivables and notes receivable arising from business).
   (2) Average collection period = 365/receivables turnover.
   (3) Inventory turnover (times) = cost of sales/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business) turnover=cost of sales/ average payable balance of different periods (including accounts payable and notes payable arising from business).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, plant and equipment turnover (times) = net sales/average net property, plant and equipment turnover.

(7) Total assets turnover (times) = net sales/total average assets.

4. Profitability
   (1) Return on total assets (%) = after-tax profits and losses + interest expenses × (1-tax rate)/ average total assets.
   (2) Return on stockholders' equity (%) = after-tax profits and losses/total average equity.
   (3) Profit ratio (%) = after-tax profits and losses /net sales.
   (4) Earnings per share = profits and losses attributable to shareholders of the parent - special dividend) / weighted average number of issued shares. (Note 3)
5. Cash flow
   (1) Cash flow ratio = net cash flow of business activities/current liabilities.
   (2) Cash flow adequacy ratio = net cash flow of business activities in the last five years/ (capital expenditure + inventory increase + cash dividend) of the last five years.
   (3) Cash reinvestment ratio= (net cash flow of business activities - cash dividend)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 4)
6. Leverage:
   (1) Operating leverage = (net operating income - variable operating costs and expenses) / operating benefits (Note 5).
   (2) Financial leverage = operating benefits/ (operating benefits-interest expense).

Note 3: In the above formula for calculating the earnings per share, the following items should be paid special attention to in measurement:
1. Based on the weighted average number of common shares, rather than the number of issued shares at the end of the year.
2. Where there are cash increases or treasury stock transactions, the weighted average number of shares should be calculated by taking into account the circulation period.
3. For those who have earnings or capital reserve converted to increase capital, when calculating earnings per share in previous years and half a year, they should be adjusted retrospectively according to the proportion of capital increase, without considering the issuance period of the capital increase.
4. If special shares are non-convertible cumulative special shares, their current-year dividend (whether it is issued or not) should be deducted from their net after-tax profit or increase their net after-tax loss. If special shares are non-cumulative, with net after-tax profits, special dividends should be deducted from net after-tax profits; if they are losses, they need not to be adjusted.

Note 4: In cash flow analysis, the following items should be paid special attention to in measurement:
1. Net cash flow of business activities refers to the net cash inflow of business activities in the statement of cash flows.
2. Capital expenditure refers to the cash outflow of capital investment each year.
3. Inventory increase is only counted when the end-of-period balance is greater than the beginning-of-period balance. If the end-of-year inventory decreases, it is counted as zero.
4. Cash dividends include cash dividends for common shares and special shares.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before the accumulated depreciation is deducted.

Note 5: The issuer should divide the operating costs and operating expenses into fixed and variable ones according to their nature. If estimates or subjective judgments are involved, their reasonableness should be paid attention to and consistency should be maintained.

Note 6: The ratio of paid-in capital of a foreign company is calculated by the ratio in net value.

Note 7: Where the Company's shares have no par value or par value per share is not NT$10, the above ratio in paid-in capital should be calculated based on the equity ratio of the balance sheet attributable to shareholders of the parent.

B. Financial Analysis-Based on IFRS (standalone)

Item (Note 2) / Year		Financial Analysis for the Past Five Years (Note 1)					The year ended March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt ratio	22	22	22	27	30	—
	Ratio of long-term capital to property, plant and equipment	479.39	851.25	1,009.42	1,021.24	1,077.67	—
Solvency (%)	Current ratio	123.5	96.19	159.78	83.99	75.97	—
	Quick ratio	67.73	67.56	137.79	74.12	64.06	—
	Interest earned ratio (times)	23.25	50.02	88.79	909.94	772.29	—
Operating performance	Accounts receivable turnover (times)	10.25	9.27	10.14	12.12	13.32	—
	Average collection period	35.61	39.37	36.00	30.12	27.40	—
	Inventory turnover (times)	5.64	8.65	21.38	13.25	12.37	—
	Accounts payable turnover (times)	9.84	16.52	21.19	10.28	14.53	—
	Average days in sales	64.70	42.20	17.10	27.50	29.50	—
	Property, plant and equipment turnover (times)	1.68	1.70	1.76	1.67	2.56	—
	Total assets turnover (times)	0.35	0.24	0.17	0.15	0.21	—
Profitability	Return on assets (%)	3.33	5.72	6.60	17.41	17.22	—
	Return on equity (%)	4.31	7.22	8.40	23.08	24.03	—
	Pre-tax income to paid-in capital (%) (Note 7)	17.32	34.55	39.68	107.55	116.25	—
	Net profit ratio (%)	9.18	23.14	37.46	116.50	83.70	—
	Earnings per share (NT$)	1.80	3.36	3.86	10.82	11.62	—
Analysis of Cash Flow	Cash flow ratio (%)	2.07	0.11	68.36	0.26	21.31	—
	Cash flow adequacy ratio (%)	(6.3)	0.69	15.36	18.23	19.29	—
	Cash reinvestment ratio (%)	(2.04)	(4.56)	(1.56)	(7.66)	(9.94)	—
Leverage	Operating leverage	0.05	0.56	0.69	(2.01)	6.55	—
	Financial leverage	0.96	0.99	0.99	0.98	1.05	—

Please explain the reasons for the changes in financial ratios in the last two years. (If the increase or decrease is less than 20%, it can be exempted from analysis.)

1. Account payable turnover rate: mainly because benefitted from the eased pandemic and impact of energy transition, the sales of the solar energy business group increased, and the sales costs increased inherently, account payable turnover rate also increased.
2. Property, plant and equipment turnover rate: mainly because benefitted from the eased pandemic and impact of energy transition, the sales of the solar energy business group increased, and the property, plant and equipment turnover rate increased.

3. Total asset turnover rate: mainly because benefitted from the eased pandemic and impact of energy transition, the sales of the solar energy business group increased, and the total asset turnover rate increased.
4. Net profit margin: mainly because benefitted from the eased pandemic and impact of energy transition, the sales of the solar energy business group increased; provided the sales costs including raw materials and freights also increased considerably, and the net profit margin decreased from the previous year.
5. Cash flow ratio: to cope with the soaring prices of raw materials, the production and sales strategies were adjusted actively to stable the material supply, so the advanced sales payment resulted in the increase in the operating cash inflow and the cash flow ratio increased, too.
6. Cash reinvestment ratio: mainly because the amount of distributed cash dividends increase in the year, and the advanced product payment decreased the working capital, so the cash reinvestment ratio decreased.
7. Operating leverage: mainly because benefitted from the eased pandemic and impact of energy transition, the unit prices of the solar energy products increased, and the operating leverage increased as well.

Note 1: The financial information of the last five years have been audited by the accountants.

Note 2: At the end of this table in the annual report, the following calculation formulas should be listed:

1. Financial structure
   (1) Debt ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets-inventory-prepaid expenses)/ current liabilities.
   (3) Interest earned ratio (times) = net income before income tax and interest expense/ interest expenditure of the current period.
3. Operating performance
   (1) Accounts receivable (including receivables and notes receivable arising from business) turnover=net sales/ average receivable balance of different periods (including receivables and notes receivable arising from business).
   (2) Average collection period = 365/receivables turnover.
   (3) Inventory turnover (times) = cost of sales/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business) turnover=cost of sales/ average payable balance of different periods (including accounts payable and notes payable arising from business).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, plant and equipment turnover (times) = net sales/average net property, plant and equipment turnover.
   (7) Total assets turnover (times) = net sales/total average assets.
4. Profitability
   (1) Return on total assets (%) = after-tax profits and losses + interest expenses × (1-tax rate)/ average total assets.
   (2) Return on stockholders' equity (%) = after-tax profits and losses/total average equity.
   (3) Profit ratio (%)= after-tax profits and losses /net sales.
   (4) Earnings per share = profits and losses attributable to shareholders of the parent - special dividend) / weighted average number of issued shares. (Note 3)
5. Cash flow
   (1) Cash flow ratio = net cash flow of business activities/current liabilities.
   (2) Cash flow adequacy ratio = net cash flow of business activities in the last five years/ (capital expenditure + inventory increase + cash dividend) of the last five years.
   (3) Cash reinvestment ratio= (net cash flow of business activities - cash dividend)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 4)
6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / operating benefits (Note 5).
(2) Financial leverage = operating benefits/ (operating benefits-interest expense).

Note 3: In the above formula for calculating the earnings per share, the following items should be paid special attention to in measurement:

1. Based on the weighted average number of common shares, rather than the number of issued shares at the end of the year.
2. Where there are cash increases or treasury stock transactions, the weighted average number of shares should be calculated by taking into account the circulation period.
3. For those who have earnings or capital reserve converted to increase capital, when calculating earnings per share in previous years and half a year, they should be adjusted retrospectively according to the proportion of capital increase, without considering the issuance period of the capital increase.
4. If special shares are non-convertible cumulative special shares, their current-year dividend (whether it is issued or not) should be deducted from their net after-tax profit or increase their net after-tax loss. If special shares are non-cumulative, with net after-tax profits, special dividends should be deducted from net after-tax profits; if they are losses, they need not to be adjusted.

Note 4: In cash flow analysis, the following items should be paid special attention to in measurement:

1. Net cash flow of business activities refers to the net cash inflow of business activities in the statement of cash flows.
2. Capital expenditure refers to the cash outflow of capital investment each year.
3. Inventory increase is only counted when the end-of-period balance is greater than the beginning-of-period balance. If the end-of-year inventory decreases, it is counted as zero.
4. Cash dividends include cash dividends for common shares and special shares.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before the accumulated depreciation is deducted.

Note 5: The issuer should divide the operating costs and operating expenses into fixed and variable ones according to their nature. If estimates or subjective judgments are involved, their reasonableness should be paid attention to and consistency should be maintained.

Note 6: The ratio of paid-in capital of a foreign company is calculated by the ratio in net value.

Note 7: Where the Company's shares have no par value or par value per share is not NT$10, the above ratio in paid-in capital should be calculated based on the equity ratio of the balance sheet attributable to shareholders of the parent.

III. Audit Committee’s Report in the Most Recent Years

Audit Committee’s Audit Report

The Board of Directors has prepared the Company’s 2021 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. Sino-American Silicon Products Inc. Consolidated and Standalone Financial Statements have been audited and certified by An-Chih Cheng, CPA, and Mei-Yu Tseng, CPA, of KPMG and audit review reports relating to the Financial Statements have been issued. The above business report, consolidated financial statements, individual financial statements and earnings distribution proposal have been audited by the Audit Committee. It is considered that there is no inconsistency. The above report is submitted in accordance with Clause 4 of Article 14 of the Securities and Exchange Law and Article 219 of the Company Law. Please examine and approve.

Sincerely

Shareholders' Regular Meeting in 2022

Sino-American Silicon Products Inc.

Convenor of the Audit Committee:

Ching-Tan Liu

May 05, 2022

IV. Financial Statements for the Latest Year

Please refer to Annex I of the annual report.

V. Standalone Financial Statements for the Latest Year

Please refer to Annex II of the annual report.

VI. Difficulties in Financial Turnover in the Most Recent Years and Up to the Date of Publication of the Annual Report of the Company and Its Affiliated Company

None.

VII. Review of Financial Conditions, Operating Results, and Risk Management

I. Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Current assets	91,219,414	52,691,024	38,528,390	73.12
Financial assets measured based on fair value through other comprehensive profits and losses	1,290,831	484,630	806,201	166.35
Financial assets measured by post-amortization costs	-	-	-	-
Investment measured by using equity method	6,959,532	7,158,811	-199,279	-2.78
Property, plant and equipment	40,428,472	42,455,037	-2,026,565	-4.77
Intangible assets	3,025,349	2,797,463	227,886	8.15
Other assets	24,327,687	4,365,816	19,961,871	457.23
Total assets	167,251,285	109,952,781	57,298,504	52.11
Current liabilities	35,222,387	32,557,129	2,665,258	8.19
Non-current liabilities	79,865,960	27,726,170	52,139,790	188.05
Total liabilities	115,088,347	60,283,299	54,805,048	90.91
Equity capital (including equity capital to be written off)	5,862,217	5,862,217	-	-
Capital surplus	18,304,186	19,481,234	-1,177,048	-6.04
Retained earnings	9,809,686	6,213,241	3,596,445	57.88
Other equity interest	-5,439,007	-3,395,866	-2,043,141	60.17
Non-controlling interest	23,625,856	21,508,656	2,117,200	9.84
Total shareholder’s equity	52,162,938	49,669,482	2,493,456	5.02

Note 1:
Explain the main reasons for the major changes in assets, liabilities and shareholders' equity in the last two years (those with changes of more than 20% in the early and late stages and the amount of changes of NT$ 10 million) and their effects and future plans.

Description:

1. Current Assets: Semiconductor business group issued corporate bond and received long-term contract payments, resulting in a relative increase in cash and cash equivalents.
2. Financial assets measured based on fair value through other comprehensive profits and losses (Non-Current): New domestic and foreign equity investment.
3. Other assets: New foreign equity investment and received repatriated offshore funds
4. Non-current liabilities: Semiconductor business group issued corporate bond and received long-term contract payments
5. Retained earnings: Operating revenue increase.
6. Other equity interest: Exchange losses due to the depreciation of the US dollar.

II. Analysis of Operation Results

A. Comparative analysis of operation results

Unit: NT$ thousands

Item \ Year	2021	2020	Variation ratio	
			Increased or decreased amount	(%)
Operating revenues	68,841,250	61,397,299	7,443,951	12.12
Operating costs	44,314,606	40,283,700	4,030,906	10.01
Gross profit from operations	24,526,644	21,113,599	3,413,045	16.17
Operating expenses	6,446,651	6,181,502	265,149	4.29
Net operating profit	18,079,993	14,932,097	3,147,896	21.08
Non-operating income and expenses	-874,266	1,306,093	-2,180,359	-166.94
Pre-tax net income	17,205,727	16,238,190	967,537	5.96
Income tax expenses	4,590,337	3,527,128	1,063,209	30.14
Net income for the current period	12,615,390	12,711,062	-95,672	-0.75
Total comprehensive income in the current period	8,548,692	13,209,666	-4,660,974	-35.28

Description of analysis on the change in the ratio of increase to decrease:

1. Net operating profit: Solar business group raised prices and controlled costs, which led to an increase in net profit. The semiconductor business group has good orders and full production capacity, reducing unit costs and generating profits, which also leads to an increase in net profit.
2. Non-operating income and expenses: Exchange losses due to the depreciation of the US dollar and the transaction termination fee arising from the foreign equity acquisition transactions of the Group's subsidiaries recognized.
3. Income tax expenses: The growth of the semiconductor business group and the increase in revenue, resulting in the relative pre-tax profit increased, and the income tax expense also increased.
4. Total comprehensive income in the current period: The strengthening of the exchange rate of the New Taiwan dollar, resulting in a decrease in exchange differences on translation of foreign financial statements.

III. Analysis of Cash Flow

A. Liquidity analysis in the last two years

Year / Item	2021	2020	Variance (%)
Cash Flow Ratio (%)	87.96%	44.79%	43.17%
Cash Flow Adequacy Ratio (%)	152.92%	159.60%	-6.68%
Cash Reinvestment Ratio (%)	15.27%	8.90%	6.37%

Description of analysis on the change in the ratio of increase to decrease:

1. Cash flow ratio (%): Cash flow ratio (%): Semiconductor business group received long-term contract payments, resulting in an increase in cash inflows from operating activities, and a relative increase in Cash flow ratio.
2. Cash reinvestment ratio (%): Semiconductor business group received long-term contract payments, resulting in an increase in cash inflows from operating activities; new domestic and foreign equity investment targets, resulting in an increase in cash reinvestment ratio.

B. Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Cash, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
67,117,906	20,993,178	(14,747,070)	73,364,014	—	—

1. Cash Flow Analysis of 2022
   a. Operating activities: Changes in solar product and enhanced integration of upstream and downstream supply chains to improve operating margins. Coupled with the vigorous development of the semiconductor industry market, active expansion of production capacity and stable shipments, this year will result in a net cash inflow from operating activities.
   b. Investment activities: The Company receives cash dividends from the investment company and pay for domestic and foreign investment, capital expenditure and distributed dividends with them.
   c. Financial activities: Mainly via repayment (borrowing) of loans and payment of dividends.

2. The remedial measures and liquidity analysis of the anticipated cash shortfall: None.

IV. Major Capital Expenditure Items influence on Financial Business

A. The use of major capital expenditures and sources of funds: None.

B. Major capital expenditures are expected to yield benefits: None.

V. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year

A. Reinvestment policy

The Company's reinvestment policy is based on the Company's future direction of operation and implemented step by step. At this stage, the strategy alliance or reinvestment of various business links with higher added value in the supply chain of solar energy industry is used to provide comprehensive operation results.

B. Major reasons for profits or losses of reinvestment, improvement plan and investment plan for the next year.

Unit: NT$ thousands

Reinvestment Company	2021 Recognized (Losses) Profits	Main Causes of Profits or Losses	Improvement Plan	Investment Plan for the Next Year
Sino Silicon Technology Inc.	5,993	Mainly due to the gain from the time deposits and exchange.	None	None
Globalwafers Co., Ltd.	6,074,632	Mainly due to the booming in semiconductor market with stable profits	None	None
Crystalwise Technology Inc	(125,910)	Mainly due to reduction of market demand for LED/LT/LN.	Accelerate the development of new products to enhance added value.	None
Accusolar Power Co., Ltd.	1,703	Mainly due to the stable number of tenders in the power plant	None	None
Aleo Solar GmbH	2,040		None	None
Aleo Solar Distribuzione Italia S.r.l	15,064		None	None
SAS Sunrise Inc.	(26,837)	Cayman Holdings, an overseas power plant	None	None
SAS Sunrise Pte. Ltd.(Note)	3,548	Singapore Holding, an overseas power plant	None	None
Sulu Electric Power and Light Inc.	(31,795)	Affected by the epidemic, the Philippine power plant has reduced the Feed-in Tariff and incurred losses before tax	Actively seek strategic investment partners, combine with local energy companies, and confirm electricity tariff as soon as possible.	None
Taiwan Speciality Chemicals corporation	34,217	Increased market demand for special gases and continued development of new customers	None	None
Actron Tecnology Corporation	105,148	Diodes for automotive generators take the leading position in the market, and the business conditions are normal	None	None
Advanced Wireless Semiconductor Company	139,522	Strong demand for third-generation semiconductors	None	None
Sunrise PV Three Co., Ltd.	718	Power generation business	None	None
SAS Capital Co., Ltd.	3,705	Investment Company. The market price of the beneficiary investment target rose.	None	None
Sustainable Energy Solution Co., Ltd.	(15)	Established in April 2021 , the main business is energy technology services.	None	None

Note: Liquidation procedures of SAS Sunrise Pte. Ltd. were completed in 2021.

Unit: NT$ thousands

Name of Reinvestment Undertakings	Investment (Losses) Profits Recognized in 2021	Main Causes of Profits or Losses	Improvement Plan
GlobalWafers Inc.	1	The business condition is normal	None.
GlobalSemiconductor Inc.	455,025	The business condition is normal	None.
GlobalWafers Japan Co., Ltd.	1,795,279	Business and profits are stable	None.
GWafers Singapore Pte. Ltd.	5,467,460	The business condition is normal	None.
Sunrise PV Four Co., Ltd.	4,948	The business condition is normal	None.
Sunrise PV Electric Power Five Co., Ltd.	(1,527)	The business condition is normal	None.
GlobalWafers Holding Co., Ltd.	469	The business condition is normal	None.
Hong-Wang Investment Company	68,396	The business condition is normal	None.
Kunshan Sino Silicon Technology Co., Ltd.	459,207	The business condition is normal	None.
MEMC Japan Ltd.	198,616	Business and profits are stable	None.
Topsil Semiconductor sp z o.o.	-	The business condition is normal	None.
GlobalWafers Singapore Pte. Ltd.	5,466,903	Business and profits are stable	None.
GlobalWafers B.V.	3,809,075	The business condition is normal	None.
MEMC Electronic Materials S.p.A.	850,595	Business and profits are stable	None.
MEMC Electronic Materials France SarL	625	The business condition is normal	None.
MEMC Electronic Materials GmbH(Note)	-	The business condition is normal	None.
MEMC Korea Company	2,184,873	Business and profits are stable	None.
GlobiTech Incorporated	895,489	Business and profits are stable	None.
MEMC Ipoh Sdn. Bhd.	(109)	The business condition is normal	None.
GlobalWafers GmbH	(171,165)	The business condition is normal	None.
Topsil GlobalWafers A/S	137,093	The business condition is normal	None.
MEMC LLC	279,273	The business condition is normal	None.
MEMC Electronic Materials Sdn. Bhd.	68,216	The business condition is normal	None.

Note: MEMC Electronic Materials GmbH completed the liquidation process in December 2021.

VI. Risk Management and Assessment

A. The organizational structure of the Company's risk management, its implementation and responsible units are as follows:

1. Board of Directors: Pay attention to relevant government decree at all times, review relevant company management measures, and ensure the effectiveness of company management rights and operational risk management.
2. President's Office: It is mainly responsible for evaluation and execution of response strategies of business decision-making risks, legal risks of the Company, and employee crisis risk management.
3. Audit Office: Mainly link the Company's objectives, risk tolerance and strategies, and actively assist company managers to deal with all the interrelated risks of the whole enterprise.
4. MIS: The responsible unit for the evaluation and execution of network information security and operational risks.
5. Administration: Responsible unit for the evaluation and control of human resources allocation and response, and the evaluation and execution of response strategies of relevant legal business and compliance.
6. Accounting Dept.: Responsible unit for the evaluation and execution of response strategies of relevant financial risk management of the Company, mainly for the evaluation and control of interest rate, exchange rate and financial risk, liquidity risk and credit risk.
7. Procurement: The executing unit which avoids the risk that the purchaser will drive up the price because of monopoly and avoids the risk of concentration of the purchasers.
8. Sales: Responsible unit for the evaluation and execution of response strategies of market risks, and customer accounts receivable management, in order to reduce risks of the Company's order receiving process.
9. Manufacturing: mainly responsible for product production, yield and abnormality management, use and scrap of raw materials, and capacity expansion planning and implementation.
10. R&D: Responsible unit for the evaluation and execution of response strategies for product design and process risks and product life cycle risks.
11. The Company systematically manages and controls risks of the products and processes.

    Execution and responsible units: R&D unit is responsible for new product development, risk identification, evaluation and control of derivative products and other activities. Business unit is responsible for information monitoring after product launching, collection and customer feedback. The quality assurance, manufacturing, legal and intellectual property units are responsible for assisting the relevant processes of the process.

    Responding measures: In the early stage of new product development, R&D unit began to analyze the patent distribution of international competitors based on TIPS and APQP operating system, formulated R&D strategies to avoid patent infringement, ensured the rights and interests of the Company and customers, and continuously grasped the world's technological trends in the process of product development and production, so as to respond to changes in product life cycle in advance. The process unit regularly reviews whether it should introduce new processes or overcome the deficiencies of existing processes according to the functions of products and customer complaints, in order to prevent product risks.

B. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Changes in interest rates

   The Company and its subsidiaries have a sound financial health and good credit history, so financial institutions credit conditions are more favorable, which the Company can enjoy better conditions on the cost of borrowing. The content of the loan according to the real capital needs divided into short-term loans and medium- and long-term borrowings. The Company bases on the cost of funds and repayment conditions as the benchmarks for the evaluation to the term of a loan. The Company will adjust financing tools to reduce the risk of interest rate fluctuation according to the fluctuation of interest rate.

2. Exchange rate fluctuation

   The foreign currency positions of the Company's and subsidiaries' purchase and sale transactions are based on the principle of natural hedging between the liabilities and asset positions. To minimize the net positions exposed to the fluctuation risk of exchange rates, the financial department closely observes the exchange rate trend. If necessary, the Company will also work with foreign exchange operation tools for the purpose of hedging to reduce the impact of exchange rate fluctuations on operating costs.

3. Inflation

   The Company reduces the procurement costs by establishing multiple supplier and active price negotiation, while adjust the final selling price to retain profits. The Company and the subsidiaries also monitor the price fluctuation all the time, and take countermeasures if necessary.

C. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. According to policy considerations, the Company is not engaged in high-risk and highly leveraged investment.
2. The Company and its subsidiaries are engaged in capital lending, endorsement guarantee and derivative commodity transactions in accordance with the Operating Procedures for

Loan to Others, Measures for Endorsement Guarantees, Treatment Procedures for Derivative Commodity Transactions and relevant regulations of the competent authorities. The executing unit also makes internal audit and supervision in accordance with relevant management measures based on regular audit and announcement, which will not result in risks to operation.

D. Future Research & Development Projects and Corresponding Budget

Recent Annual Plan	Expected Research Expenditure	Expected Completion Schedule	Main Influencing Factors of the Success of Future R&D
Development of Large Size Ultra-High Efficiency Mono-Si Solar Cell Technology	NTD 600,000,000	October 2023	Introduction of advanced process technology and equipments

E. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales in Recent Years at Home and Aboard

Except that our daily operations are regulated by the relevant laws and regulations at home and abroad, we always pay attention to the development trend and change of policies and regulations at home and abroad, in order to fully grasp the changes of market environment, and timely take the initiative to propose response measures. Up to the date of publication of the prospectus, our group has not been affected by major changes in policies and laws at home and abroad.

F. Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales in Recent Years

In 2021, China vertically integrated factories, actively deploying large-size products, eliminating G1 size, introducing M6 size to become the mainstream, and actively promoting M10/G12 large-size products. At the same time, the production capacity of upstream materials was not released enough, resulting in a sharp rise in prices. Taiwanese factories are unable to grasp key upstream materials, making the cost in 2021 higher with international materials. The Company will continuously observe the market situation and take the following response measures.

1. Continue to optimize and improve the power generation efficiency of solar cells, fully convert to M6 size in 2022, and upgrade the investment cell production line to be compatible with M10 and G12 large sizes. High-efficiency large-size battery products will be launched to enhance the competitiveness of customers' products.
2. Rapidly increase the development energy of new technologies and new products, and continuously invest in the growth of high-efficiency polycrystal silicon crystal and the

development of precision processing technology of custom-made silicon ingot, in order to create the core competitive advantages.

3. Actively expand the layout of solar power generation system, respond to the government's policy of vigorous promotion of renewable energy, invest in new business opportunities after Taiwan's installation tide in a large number, and accumulate the integration capacity of after-sales maintenance and operation of power plant through the investment of the Group in Taiwan's solar power plant.

In terms of information security, the company has established network and computer-related information security protection measures, and has continuously reviewed and evaluated information security management methods and procedures to ensure their appropriateness and effectiveness. The company continues to strengthen information security protection measures in order to protect the company from malicious software and hacker attacks. In addition, it has established a complete backup mechanism to restore the normal operation of the system in a very short period of time after being attacked and minimize damage.

G. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures in Recent Years

Since its establishment, the Company has adhered to the business philosophy of “honesty, professionalism, team and innovation”, emphasizes the principle of honesty, stimulates individual creativity with cordiality, dedication, activeness and professionalism, and demonstrates the Company's unique culture through the tacit understanding of the team, and continuous innovation of technologies and management. In April 2022, the Company was awarded “Top 5% of TPEx Listed Companies” in the 8th (2021) Corporate Governance Evaluation Ranking, which witnessed the Company's determination to strive for transparency, honesty and sustainable operation. At the same time, the Company will continue to adhere to the principle of good faith to show the blueprint of corporate governance, and strengthen the Company's physique to improve business performance and implement corporate social responsibility.

H. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans in Recent Years: Up to the date of publication of the annual report, the Company has no plan for merger and acquisition.

I. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans in Recent Years: None.

J. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration in Recent Years: None.

K. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% in Recent Years: No such situation.

L. Effects of, Risks Relating to and Response to the Changes in Management Rights in Recent Years: None.

M. Litigation or Non-litigation Matters in Recent Years: major litigation, non-litigation or administrative litigation matters in which the Company and its directors, supervisors, Presidents, substantive responsible persons, major shareholders with over 10% shareholdings and affiliated companies which have been judged or are still in attribution should be listed. If the results may have a significant impact on shareholders' rights and interests or securities prices, the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved and the handling of the case up to the date of publication of the annual report should be disclosed:

   In March 2015, Hemlock Semiconductor Pte. Ltd. filed a lawsuit against the Company in New York State Court to claim compensation for breach of some silicon raw material supply contracts by the Company. Both parties had reached a settlement in July 2021 and then signed STIPULATION OF DISCONTINUANCE and SETTLEMENT AGREEMENT.

VII. Other Major Events

Intellectual property management and risk countermeasures:

Intellectual property management strategy

"Enhancing Innovation Capability" and "Strengthening Confidentiality Mechanism" is the two main management strategies of SAS. Not only performing independent research and development base on innovation capabilities but also via technological-industrial cooperation or strategic alliances to stimulate technological capabilities. As for the confidentiality mechanism, strengthen the control of various business secrets as well as establish specifications for the use of electronic mail and electronic storage devices to ensure that key technologies do not flow out and maintain the company's competitive energy.

Intellectual property management system

SAS began to introduce the "Taiwan Intellectual Property Management System (TIPS)" system in 2010, and gradually established an intellectual property management system, which included a patent management system for e-management and the use of a patent search system to improve the effectiveness of previous cases. At the same time, the Company conducts internal audits regularly to implement the management system. The Company successfully passed TIPS in-depth verification in 2012 and revised AA level verification in 2016, and has continued to import TIPS until now.

Possible risks and counter measurers

In order to avoid the loss caused by the leakage of the company's key technologies, the company conducts confidential management and control especially for personnel, equipment, environment, documents, etc., such as holding courses related to intellectual property management, strengthening the concept of personnel confidentiality protection; strengthening employees' awareness of phishing emails to avoid information security Hazards; control for outgoing emails, use of electronic storage devices (USB), camera shooting in control areas, etc.; define file levels in detail, and set up corresponding management mechanisms according to different file levels. Various means to keep confidential information properly and reduce the risk of leakage.

2021 Execution of Intellectual Properties

Intellectual property (IP) policy	Summary of the execution
Improve the innovation ability	With the development and production of key materials as the main axis, the development and production of preparation technology is carried out through cooperation with academic and research units, and the patent layout is carried out for the process and equipment.
Strengthen the confidentiality mechanism	In 2021, the TIPS internal audit will be held in August to strengthen the confidentiality protection mechanism and improve the implementation of the intellectual property management system by colleagues. There are 85 audits in total, 2 missing items and 2 suggested observation items, all of which have been corrected and preventive measures improved.

Key achievements of intellectual property

SAS Group (including its subsidiary GlobalWafer’s Group) has accumulated a total of 1,771 valid patents, including 1,171 valid patents and 600 patents in application, covering different materials and technical fields such as solar energy and semiconductors. In order to utilize intellectual property rights more effectively, after a detailed inventory of idle patents in 2021, in addition to ensuring the Group's competitive advantage in the future, patent rights are expected to generate additional income through patent operations.

For the aforesaid IP management planning and implementations, the Company reports to the board of directors at least once a year. The latest reporting date was November 4, 2021.

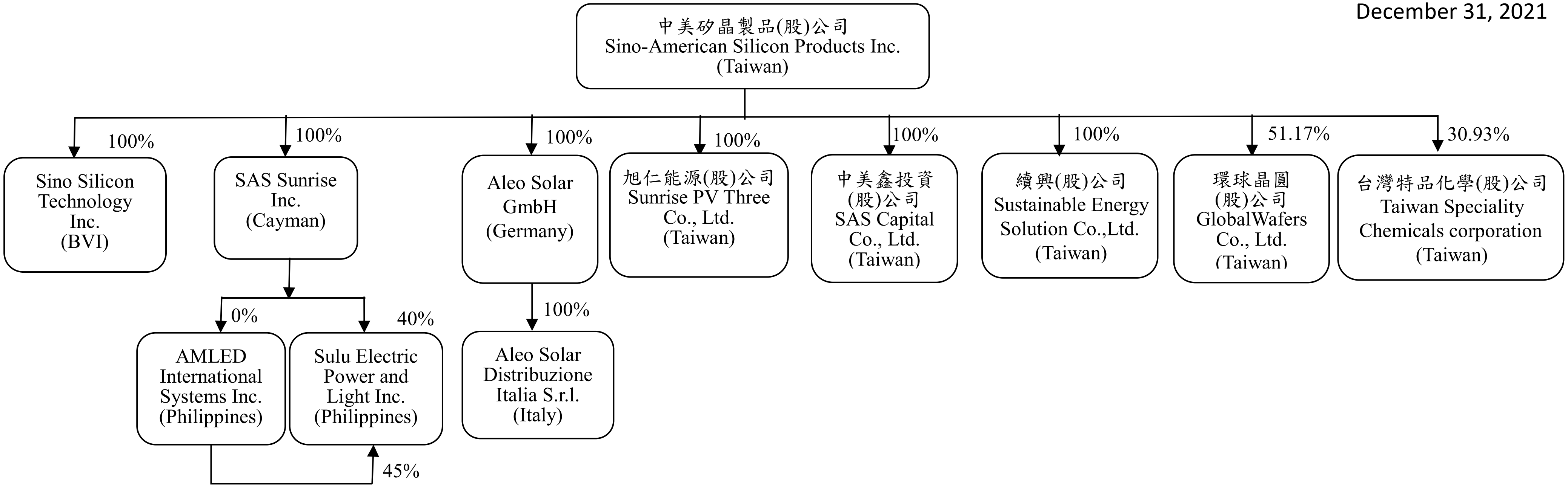
VIII. Special Disclosure

I. Affiliated Businesses

A. Affiliated Business Consolidated Business Report

1. Affiliated Company Chart

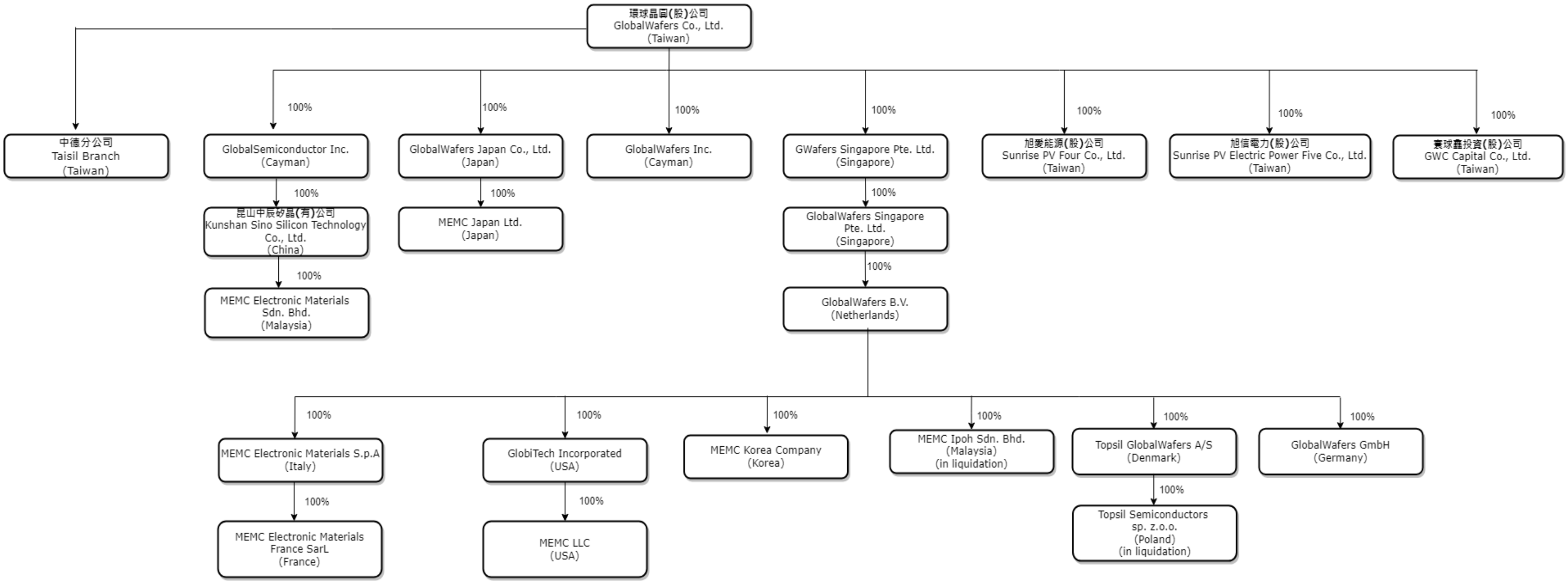
December 31, 2021



Note 1: Although the merger company has less than 50% of Sulu's voting rights, it can control the Company's financial and operational strategies through effective agreements with other investors of Sulu, so Sulu is regarded as a subsidiary company.

Note 2: Although the merger company does not hold the owner's rights and interests of AMLED, AMLED is regarded as a subsidiary company because it can control the Company's financial and operational strategy and obtain all the benefits of its operation and net assets in accordance with the terms and conditions of the agreement signed by such individuals.

December 31, 2021



2. Basic Information of Affiliated Companies

December 31, 2021 Unit: NT$ thousands

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Major Business or Production Items
Sino Silicon Technology Inc.	1999/08/05	3rd Floor, Omar Hodge building, Wickhams Cay 1, P.O. Box 362, Road Town, Tortola British Virgin Islands	USD 48,526	Investment holding and international trade business
Globalwafers Co., Ltd.	2011/10/01	No. 8, Industrial East Second Road, Hsinchu Science Park, Hsinchu 30075, Taiwan, R.O.C.	NTD 4,372,500	Manufacturing and sales of semiconductor silicon materials and components
Aleo Solar GmbH	2014/01/23	Marius-Eriksen-Str.1,17291 Prenzlau, Germany	EUR 13,500	Manufacturing and sales of solar modules
Aleo Solar Distribuzione Italia S.r.l.	2014/05/16	Viale Trento e Trieste 12/A 31100 Treviso, Italy	EUR 100	Sales of solar modules
SAS Sunrise Inc.	2015/06/04	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Island	USD 24,500	Investment in various businesses
Sulu Electric Power and Lights Inc.	2014/01/17	Eastwood, New National Highway, Barangay Salvacion, Municipality of Palo, Leyte, Philippines	USD 22,500	Power generating business
AMLED International Systems Inc.	2016/01/09	3B Bakawan Bldg., Westmont Village, 8227 Dr. Santos Ave., Paranaque city, Philippines	PHP 187,500	Investment in various businesses
Sunrise PV Three Co., Ltd.	2017/04/14	2F, No. 1, Second Section, Ligong First Road, Chengxing Village, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 15,000	Power generating business
SAS Capital Co., Ltd.	2020/09/18	2F, No. 1, Second Section, Ligong First Road, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 250,000	Investment in various businesses
Sustainable Energy Solution Co.,Ltd	2021/04/19	2F, No. 1, Second Section, Ligong First Road, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 20,000	Energy technology service business
Taiwan Speciality Chemicals corporation	2013/03/27	No.1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua County 507, Taiwan (R.O.C.)	NTD 1,382,366	Semiconductor special gas and chemical materials

December 31, 2021 Unit: NT$ thousands

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Major Business or Production Items
GlobalWafers Inc.	2011/05/03	2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	USD 0.001	Investment in various businesses and triangular trade center with subsidiaries in China
GlobalSemiconductor Inc.	2011/05/03	2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	USD 26,555	Investment in various businesses
GlobalWafers Japan Co., Ltd.	1991/06/18	6-861-5 Seiro-machi Higashiko, Kitakanbara-gun, Niigata 957-0197 Japan	JPY 6,967,000	Manufacturing and trading of semiconductor silicon wafer
GWafers Singapore Pte. Ltd.	2016/02/02	120 Robinson Road, #08-01, Singapore 068913	USD 541,674	Investment in various businesses
Topsil GlobalWafers A/S	2016/07/01	Siliciumvej 1, 3600 Frederikssund, Copenhagen, Denmark	DKK 1,000	Manufacturing and trading of semiconductor silicon wafer
Kunshan Sino Silicon Technology Co., Ltd.	1999/08/17	No. 303, Hanpu Road, Chengbei High-tech Industrial Park, Kunshan City, Jiangsu Province, China	USD 26,555	Processing trade of silicon ingot, silicon wafer, etc.
MEMC Japan Ltd.	1979/12/11	11-2 Kiyohara Industrial Park, Utsunomiya City, Tochigi 3213296 Japan	JPY 100,000	Manufacturing and sales of semiconductor silicon wafer
Topsil Semiconductor sp. z.o.o.	2008/10/01	133 Wolczynska St., 01-919 Warsaw, Poland	PL 5	Manufacturing and trading of semiconductor silicon wafer
GlobalWafers Singapore Pte. Ltd.	2013/12/20	120 Robinson Road, #08-01, Singapore 068913	SGD 0.001 USD 544,875	Investment, marketing and trade business
GlobalWafers B.V.	2013/11/26	Evert van de Beekstraat 1-104, 1118 CL Schiphol, The Netherlands	USD 0.1	Investment in various businesses
MEMC Electronic Materials, S.p.A.	1960/01/29	Viale Gherzi, 31 28100 Novara, Italy	EUR 31,200	Manufacturing and sales of semiconductor silicon wafer
MEMC Electronic Materials France SarL	1998/07/27	5-7 BLD EDGAR QUINET 92700 COLOMBES, France	EUR 16	Trade business
MEMC Korea Company	1990/12/18	854, Manghyang-ro, Sunggeo-eup, Cheonan-si, Chungchongnam-do, Korea	KRW 126,000,000	Manufacturing and sales of semiconductor silicon wafer

GlobiTech Incorporated	1998/12/15	200 FM 1417 West/Sherman, TX 75092, U S A	USD 0.001	Epitaxial silicon wafer production, epitaxy processing and other trades
MEMC LLC	2013/08/28	501 Pearl Drive St. Peters, MO 63376, USA	USD 0.01	R&D, manufacturing and sale of semiconductor silicon wafers
MEMC Electronic Materials, Sdn. Bhd.	1972/06/15	Sungai Way Free Industrial Zone, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 1,036	R&D, manufacturing and sale of semiconductor silicon wafers
MEMC Ipoh Sdn. Bhd.	2007/10/10	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, Kuala Lumpur	MYR 612,300	R&D, manufacturing and sale of semiconductor silicon wafers
GlobalWafers GmbH	2020/01/17	Theresienhöhe 30, c/oYouco24 Corporate ServicesGmbH, 80339 Munich	EUR 25	Investment in various businesses
Sunrise PV Four Co., Ltd.	2017/04/14	2F, No. 1, Second Section, Ligong First Road, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 1,045,000	Power generating business
Sunrise PV Electric Power Five Co., Ltd.	2019/11/12	2F, No. 1, Second Section, Ligong First Road, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 278,000	Power generating business
GWC Capital Co., Ltd.	2020/09/21	2F, No. 1, Second Section, Ligong First Road, Wujie Township, Yilan County, Taiwan, R.O.C	NTD 250,000	Investment in various businesses

3. The same shareholder information presumed to have a controlling and subordinate relationship: None.
4. Industries covered by the operation of affiliated companies: Detailed information of affiliated companies please find in the basic information that listed.

5. Information of directors, supervisors and managers of affiliated companies

December 31, 2021

Enterprise Name	Title	Name or Representative	Shareholding: Number of Shares (Thousands)	Shareholding: Proportion
Sino Silicon Technology Inc.	Director	Sino-American Silicon Products Corporation Representative: Hsiu-Ling Hsu	48,526	100%
Globalwafers Co., Ltd.	Chairperson and CEO	Hsiu-Lan Hsu	222,727	51.17%
	Director	Sino-American Silicon Products Corporation Representative: Ming-Kuang Lu		
	Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao		
	Director	Kuo-Chow Chen		
	Independent Director	Jeng-Ywan Jeng		
	Independent Director	Chung-Yu Wang		
	Independent Director	Ming-Ren Yu		
Aleo Solar GmbH	No Board of Directors		—	100%
Aleo Solar Distribuzione Italia S.r.l.	No Board of Directors		—	100%
SAS Sunrise Inc.	Director	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu	24,500	100%
Sulu Electric Power and Lights Inc.	Chairperson	Sino-American Silicon Products Corporation Representative: Zheng-Hong Huang	892,500	85%
	Director and President	Sino-American Silicon Products Corporation Representative: Michael Da Silva		
	Director	Sino-American Silicon Products Corporation Representative: Gilbert S. Castro		
	Director	Sino-American Silicon Products Corporation Representative: MaritessQuicho		
	Director	Sino-American Silicon Products Corporation Representative: Magdalena Dela Cruz		
AMLED international System	Director and President	Mike Da Silva	—	0%
	Director	Gilberto S. Castro		
	Director	Magdalena Dela Cruz		
	Director	Alfonso De la Cruz		
	Director	Thess Quicho		
Sunrise PV Three Co., Ltd.	Chairperson	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu	1,500	100%
	Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao		
	Director	Sino-American Silicon Products Corporation Representative: Zheng-Hong Huang		
	Supervisor	Sino-American Silicon Products Corporation		

		Representative: Ming-Hui Chien		
SAS Capital Co., Ltd.	Chairperson	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu	25,000	100%
	Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao		
	Director	Sino-American Silicon Products Corporation Representative: Ming-Kuang Lu		
Sustainable Energy Solution Co.,Ltd.	Chairperson	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu	2,000	100%
	Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao		
	Director	Sino-American Silicon Products Corporation Representative: Ming-Hui Chien		
Taiwan Speciality Chemicals corporation	Chairperson	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu	42,758	30.93%
	Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao		
	Director	Sino-American Silicon Products Corporation Representative: Chun-Cheng Yang		
	Director	Sung-Yueh Hsieh		
	Director	Wintech Innovation Co.; Ltd. Representative: Chu-Ming Kao		
	Supervisor	Ming-Hui Chien		
	Supervisor	Hsin-Jung Chen		
	Supervisor	Chi-Hsiung Cheng		
GlobalWafers Inc.	Director	Hsiu-Lan Hsu	0.01	100%
GlobalSemiconductor Inc.	Director	Hsiu-Lan Hsu	25,000	100%
GlobalWafers Japan Co., Ltd.	Chairperson	Hsiu-Lan Hsu	128	100%
	Vice Chairperson	Takashi Araki		
	Director and President	Katsuaki Koutari		
	Director	Mark Lynn England		
	Director	Tang-Liang Yao		
	Supervisor	Wei-Wen Chen		
GWafers Singapore Pte. Ltd.	Chairperson	Hsiu-Lan Hsu	541,674	100%
	Director	Mark Lynn England		
	Director	Tang-Liang Yao		
	Director	Ye-Huang Chen		
Topsil GlobalWafers A/S	Chairperson	Hsiu-Lan Hsu	1,000	100%
	Director and President	Hans Peder Mikkelsen		
	Director	Wei-Wen Chen		
	Director	Mauro Pedrotti		
	Director	Liang Shi		
Kunshan Sino Silicon Technology Co., Ltd.	Chairperson	Tang-Liang Yao	—	100%
	Vice Chairperson	Hsiu-Lan Hsu		

	Director and President	Ching-Chang Chin		
	Director	Sheng-Hsiung Hung		
	Director	Ming-Hui Chien		
	Supervisor	Wei-Wen Chen		
MEMC Japan Ltd.	Chairperson	Hsiu-Lan Hsu	750	100%
	Director and President	Katsuaki Koutari		
	Director	Toru Kobayashi		
	Director	Hironobu Nakazawa		
	Director	Toshiharu Kondo		
	Supervisor	Wei-Wen Chen		
Topsil Semiconductor sp. z.o.o.	Director	Hans Peder Mikkelsen	0.1	100%
GlobalWafers Singapore Pte. Ltd.	Director	Hsiu-Lan Hsu	299,445	100%
	Director	Mark Lynn England		
	Director	Ye-Huang Chen		
GlobalWafers B.V.	Director	Hsiu-Lan Hsu	0.1	100%
	Director	Liang Shi		
MEMC Electronic Materials S.p.A.	Chairperson and CEO	Mauro Pedrotti	65,000	100%
	Director	Ming-Hui Chien		
	Director	Jyh-Shyng Lu		
	Director	Prof. Gianluigi Tosato		
	Supervisor	Richard Murphy		
	Supervisor	PierMario Barzaghi		
	Supervisor	Eleonora Guerriero		
MEMC Electronic Materials France SarL	Director	Marco Maffè	0.5	100%
MEMC Korea Company	Chairperson	Charlie Cho	25,200	100%
	Director	Hsiu-Lan Hsu		
	Director	Mark Lynn England		
	Supervisor	Jyh-Shyng Lu		
GlobiTech Incorporated	Chairperson and CEO	Hsiu-Lan Hsu	1	100%
	Director and President	Mark Lynn England		
	Director	Tang-Liang Yao		
	Director	Ming-Hui Chen		
	Director	Curtis Hall		
MEMC LLC	President	Mark Lynn England	—	100%
	Vice President	Rick Boston		
MEMC Electronic Materials, Sdn. Bhd.	Director	Ching-Chang Chin	1,036	100%
	Director	Tony Wang		
	Director	Joanne Leung		
	Director	Ming-Hui Chen		
MEMC Ipoh Sdn. Bhd.	Director	Ching-Chang Chin	612,300	100%
	Director	Tony Wang		
	Director	Joanne Leung		
GlobalWafers GmbH	Director	Ming-Hui Chen	25	100%
Sunrise PV Four Co., Ltd.	Chairperson	Hsiu-Lan Hsu	104,500	100%
	Director	Ming-Hui Chen		
	Director	Hsiu-Ling Hsu		

	Supervisor	Jyh-Shyng Lu		
Sunrise PV Electric Power Five Co., Ltd.	Chairperson	Ming-Hui Chen	27,800	100%
GWC Capital Co., Ltd.	Chairperson	Hsiu-Lan Hsu	25,000	100%
	Director	Ming-Kuang Lu		
	Director	Tang-Liang Yao		

6. General situation of operation of affiliated companies

Financial status and operating results of affiliated companies

December 31, 2021 Unit : NT$ thousands

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Value	Operating revenues	Operating profit	After-tax Profits and Losses in the Current Period	After-tax Earnings Per Share (NT$)
Sino Silicon Technology Inc.	1,343,206	881,535	12,304	869,231	—	(95)	5,993	—
Globalwafers Co., Ltd.	4,372,500	150,644,976	105,013,473	45,631,503	61,130,592	17,693,392	11,870,037	27.27
Aleo Solar GmbH	422,820	891,317	477,690	413,627	1,454,897	81,973	2,040	—
Aleo Solar Distribuzione Italia S.r.l	3,132	120,961	105,805	15,156	384,745	16,121	15,064	—
SAS Sunrise Inc.	678,160	350,746	173,581	177,165	—	(1,946)	(162,388)	—
Sulu Electric Power and Light Inc.	622,800	2,005,301	1,760,315	244,986	158,851	(5,041)	(31,433)	—
Sunrise PV Three Co., Ltd.	15,000	65,153	49,061	16,092	8,266	1,937	719	—
SAS Capital Co., Ltd.	250,000	1,133,743	573,450	560,293	—	(20)	3,705	—
Sustainable Energy Solution Co.,Ltd.	20,000	19,985	—	19,985	—	(41)	(15)	—
Taiwan Speciality Chemicals corporation	1,382,366	1,696,616	119,806	1,576,810	515,666	195,312	194,445	1.41

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Value	Operating revenues	Operating profit	After-tax Profits and Losses in the Current Period	After-tax Earnings Per Share (NT$)
GlobalWafers Inc.	—	1,772	—	1,772	—	—	1	—
GlobalSemiconductor Inc.	735,042	2,259,762	—	2,259,762	—	(321)	459,294	—
GlobalWafers Japan Co., Ltd.	1,675,564	20,792,803	4,341,195	16,451,608	12,090,329	2,234,709	1,795,646	—
GWafers Singapore Pte. Ltd.	14,993,534	45,561,100	295	45,560,805	—	(4,156)	5,462,710	—
Topsil GlobalWafers A/S	4,237	2,138,841	327,501	1,811,340	1,582,312	144,441	137,093	—
Kunshan Sino Silicon Technology Co., Ltd.	1,016,360	2,595,530	397,276	2,198,254	2,426,254	399,421	459,207	—
MEMC Japan Ltd.	24,050	3,583,985	2,201,279	1,382,706	4,329,964	347,511	198,616	—
Topsil Semiconductor sp. z o.o.	35	—	—	—	—	—	—	—
GlobalWafers Singapore Pte. Ltd.	15,082,143	68,786,402	28,197,664	40,588,738	21,266,916	2,081,344	5,466,903	—
GlobalWafers B.V.	3	44,395,863	2,978,886	41,416,977	—	(63,373)	3,809,075	—
MEMC Electronic Materials S.p.A.	977,184	11,227,504	2,548,914	8,678,590	11,082,488	1,039,407	850,595	—
MEMC Electronic Materials France SarL	501	6,403	4,373	2,030	—	1,251	625	—
MEMC Electronic Materials GmbH (Note3)	—	—	—	—	—	—	—	—
MEMC Korea Company	2,961,000	20,040,156	2,756,237	17,283,919	11,817,297	2,577,419	2,184,873	—
GlobiTech Incorporated	—	10,720,707	943,998	9,776,708	6,177,784	709,160	895,489	—
MEMC LLC	—	5,153,201	1,048,558	4,104,644	2,821,768	(245,160)	279,273	—
MEMC Electronic Materials Sdn. Bhd.	6,868	1,130,594	267,768	862,827	1,671,355	91,768	68,216	—
MEMC Ipoh Sdn. Bhd.	4,058,093	3,413	65	3,348	—	(81)	(109)	—

GlobalWafers GmbH	783	12,754,436	12,915,941	(161,505)	—	(53,317)	(171,165)	—
Sunrise PV Four Co., Ltd.	1,045,000	1,181,804	131,684	1,050,119	23,937	3,903	4,948	—
Sunrise PV Electric Power Five Co., Ltd	278,000	298,741	22,421	276,319	3,502	(2,287)	(1,527)	—
GWC Capital Co., Ltd.	250,000	250,537	134	250,403	—	(80)	469	—

Exchanges rate on December 31, 2021 US Dollar: NTD = 27.68: 1 JPY: NTD = 0.2405: 1 EUR: NTD = 31.32: 1
Annual Average Exchange Rate of 2021 US Dollar: NTD = 27.9983: 1 JPY: NTD = 0.2550: 1 EUR: NTD = 33.1142: 1
Note 1: All affiliated companies should be disclosed, regardless of their size.
Note 2: If an affiliated company is a foreign company, the relevant figures should be converted to NT$ at the exchange rate on the reporting date.
Note 3: The cancellation procedure of MEMC GmbH was completed in December of 2021.

B. Consolidated Statements of Affiliated Companies:

Please refer to Annex I of this annual report (Consolidated Financial Report of 2021 Audited and Checked by Accountants)

C. Report of Affiliated Companies: Not applicable.

II. Private Placement Securities in the Most Recent Years

None.

III. The Shares in the Company Held or Disposed of By Subsidiaries in the Most Recent Years

None.

IV. Other Necessary Supplement

None.

V. Any Events and as of the Date of this Annual Report that Had Significant Impacts on Shareholders’ Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan

None.

Attachment 1

Stock Code:5483

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: No.8, Industrial East Road 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.

Telephone: (03)577-2233

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Sino-American Silicon Products Inc. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements", as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Sino-American Silicon Products Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Sino-American Silicon Products Inc.
Chairman: Doris Hsu
Date: March 17, 2022

Independent Auditors' Report

To the Board of Directors of Sino-American Silicon Products Inc.:

Opinion

We have audited the consolidated financial statements of Sino-American Silicon Products Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition from contracts with customers

   Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(23) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's semiconductor segment revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. Goodwill impairment assessment

   Please refer to the note 4(13) "Impairment of non-financial assets" for accounting policy, note 5(2) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for impairment assessment, and note 6(12) "Intangible assets" for further details.

   Description of key audit matter:

   The Group is in a capital intensive industry, with goodwill arising from business combinations. Moreover, the Group operates in an industry in which the operations are easily influenced by various external factors, such as market conditions and governmental policies. Therefore, the assessment of impairment of goodwill is necessary. The assessment procedures, including identification of cash-generating units, valuation models, selection of key assumptions and calculations of recoverable cash inflows, depend on the management's subjective judgments, which contained uncertainty in accounting estimations. Consequently, this is one of the key areas in our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, we have performed certain key audit procedures that included assessing triggering events identified by management for impairment indicators existing in a cash-generating unit, assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year financial forecasts; inspecting the calculations of recoverable amounts; assessing the assumptions used for calculating recoverable amounts and cash flow projections; performing sensitivity analysis based on key factors; assessing whether the accounting policies for goodwill impairment and other relevant information have been appropriately disclosed.

Other Matter

Sino-American Silicon Products Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2021 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are An-Chih Cheng and Mei-Yu Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 17, 2022

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 67,117,906	40	23,812,590	22
1110	Financial assets at fair value through profit or loss－current (note 6(2))	3,567	-	5,656,668	5
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	331,609	-	277,895	-
1170	Notes and accounts receivable, net (notes 6(5) and (23))	9,820,400	6	8,332,156	8
1180	Accounts receivable due from related parties, net (notes 6(23) and 7)	68,760	-	75,253	-
130X	Inventories (note 6(6))	8,646,093	5	7,928,638	7
1476	Other financial assets－current (notes 8 and 9)	3,761,058	2	5,588,505	5
1479	Other current assets	1,470,021	1	1,019,319	1
		91,219,414	54	52,691,024	48
	Non-current assets:				
1513	Financial assets at fair value through profit or loss－non-current (note 6(2))	18,368,712	11	117,204	-
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	1,290,831	1	484,630	-
1550	Investments accounted for using equity method (note 6(7))	6,959,532	4	7,158,811	6
1600	Property, plant and equipment (notes 6(10), 7 and 8)	40,428,472	24	42,455,037	39
1755	Right-of-use assets (note 6(11))	845,228	1	832,865	1
1780	Intangible assets (note 6(12))	3,025,349	2	2,797,463	3
1840	Deferred tax assets (note 6(19))	1,978,955	1	2,312,821	2
1980	Other financial assets－non-current (notes 8 and 9)	1,387,023	1	306,137	-
1990	Other non-current assets	1,747,769	1	796,789	1
		76,031,871	46	57,261,757	52
	Total assets	**$ 167,251,285**	**100**	**109,952,781**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(13) and 8)	$ 7,759,302	5	10,771,000	10
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	198,631	-	45,953	-
2130	Contract liabilities－current (notes 6(23) and 9)	7,410,209	4	3,763,986	3
2170	Notes and accounts payable	4,574,750	3	4,182,542	4
2180	Accounts payable to related parties (note 7)	11,172	-	21,852	-
2201	Payroll and bonus payable	3,512,267	2	3,183,647	3
2216	Dividends payable	3,751,986	2	3,751,986	3
2250	Provisions－current (notes 6(17) and 9)	363,611	-	243,646	-
2230	Current tax liabilities	2,151,532	1	2,092,828	2
2322	Long-term borrowings, current portion (note 6(14))	31,832	-	32,752	-
2399	Other current liabilities (note 6(16))	5,457,095	3	4,466,937	3
		35,222,387	20	32,557,129	28
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(23) and 9)	22,348,972	13	14,132,126	13
2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (15))	178,637	-	-	-
2530	Convertible bonds (note 6(15))	26,143,969	16	-	-
2531	Bonds payable (note 6(15))	18,980,771	11	-	-
2540	Long-term borrowings (note 6(14))	999,044	1	1,048,064	1
2550	Provisions－non-current (note 6(17) and 9)	3,614,690	2	4,041,851	4
2570	Deferred tax liabilities (note 6(19))	4,897,351	3	4,974,407	5
2670	Other non-current liabilities (note 6(16))	865,094	1	1,045,615	1
2640	Net defined benefit liabilities (note 6(18))	1,837,432	1	2,484,107	2
		79,865,960	48	27,726,170	26
	Total liabilities	115,088,347	68	60,283,299	54
	Equity (note 6(20)):				
3110	Ordinary shares	5,862,217	4	5,862,217	5
3200	Capital surplus	18,304,186	11	19,481,234	18
3300	Retained earnings	9,809,686	6	6,213,241	6
3400	Other equity interest	(5,439,007)	(3)	(3,395,866)	(3)
	Total equity attributable to shareholders of the Company	28,537,082	18	28,160,826	26
36XX	Non-controlling interests (note 6(8))	23,625,856	14	21,508,656	20
	Total equity	52,162,938	32	49,669,482	46
	Total liabilities and equity	**$ 167,251,285**	**100**	**109,952,781**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue** (notes 6(23) and 7)	$ 68,841,250	100	61,397,299	100
5000	**Operating costs** (notes 6(6), (10), (17), (18) and 7)	44,314,606	64	40,283,700	66
	Gross profit from operations	24,526,644	36	21,113,599	34
	Operating expenses (notes 6(10), (17), (18), (24) and 7)**:**				
6100	Selling expenses	1,634,768	3	1,431,684	2
6200	Administrative expenses	2,647,334	4	3,020,051	5
6300	Research and development expenses	2,165,030	3	1,742,108	3
6450	Expected credit losses (reversal gains) (note 6(5))	(481)	-	(12,341)	-
	Total operating expenses	6,446,651	10	6,181,502	10
	Net operating income	18,079,993	26	14,932,097	24
	Non-operating income and expenses:				
7100	Interest income (notes 6(25) and 8)	147,798	-	259,875	-
7020	Other gains and losses (note 6(26))	(906,993)	(1)	1,177,485	2
7050	Finance costs (note 6(25))	(332,325)	-	(105,939)	-
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	217,254	-	(25,328)	-
		(874,266)	(1)	1,306,093	2
	Income before income tax	17,205,727	25	16,238,190	26
7950	Less: Income tax expense (note 6(19))	4,590,337	7	3,527,128	5
	Net income	12,615,390	18	12,711,062	21
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(18))	174,627	-	(254,213)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	327,822	-	88,257	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	551,647	1	728,216	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(19))	(108,652)	-	38,521	-
		945,444	1	600,781	1
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(6,242,067)	(9)	(139,362)	-
8370	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27))	(2,098)	-	3,680	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(19))	1,232,023	(2)	33,505	-
		(5,012,142)	(7)	(102,177)	-
8300	**Other comprehensive income (after tax)**	(4,066,698)	(6)	498,604	1
	Total comprehensive income	**$ 8,548,692**	**12**	**13,209,666**	**22**
	Net income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	$ 6,811,050	10	6,326,235	11
	Non-controlling interests	5,804,340	8	6,384,827	10
		$ 12,615,390	**18**	**12,711,062**	**21**
	Total comprehensive income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	$ 4,845,754	7	6,627,194	11
	Non-controlling interests	3,702,938	5	6,582,472	11
		$ 8,548,692	**12**	**13,209,666**	**22**
	Earnings per share (NT dollars) (note 6(22))				
	Basic earnings per share	**$**	**11.62**		**10.82**
	Diluted earnings per share	**$**	**11.56**		**10.71**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent														
				Retained earnings				Other equity interest							
	Ordinary shares	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total other equity interest	Total	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 5,862,367	(150)	21,072,595	462,354	513,302	2,591,235	3,566,891	(2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)	26,670,241	21,945,800	48,616,041
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235	6,384,827	12,711,062
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959	197,645	498,604
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194	6,582,472	13,209,666
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	-	259,122	-	(259,122)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	817,117	(817,117)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(3,566,749)	(3,566,749)	-	-	-	-	-	(3,566,749)	-	(3,566,749)
Stock dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)	-	(173,205)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873	-	873
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,252)	(6,252)
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608	-	18,608
Share retirement and awaiting retirement due to expiration of restricted stock awards	(150)	150	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,013,364)	(7,013,364)
Balance at December 31, 2020	5,862,217	-	19,481,234	721,476	1,330,419	4,161,346	6,213,241	(2,325,038)	(1,070,453)	-	(375)	(3,395,866)	28,160,826	21,508,656	49,669,482
Net income for the year	-	-	-	-	-	6,811,050	6,811,050	-	-	-	-	-	6,811,050	5,804,340	12,615,390
Other comprehensive income for the year	-	-	-	-	-	72,164	72,164	(2,580,496)	543,036	-	-	(2,037,460)	(1,965,296)	(2,101,402)	(4,066,698)
Comprehensive income for the year	-	-	-	-	-	6,883,214	6,883,214	(2,580,496)	543,036	-	-	(2,037,460)	4,845,754	3,702,938	8,548,692
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	-	621,310	-	(621,310)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	23	(23)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(3,286,769)	(3,286,769)	-	-	-	-	-	(3,286,769)	-	(3,286,769)
Cash dividends from capital surplus	-	-	(1,989,226)	-	-	-	-	-	-	-	-	-	(1,989,226)	-	(1,989,226)
Changes in equity of associates accounted for using equity method	-	-	(60,171)	-	-	-	-	-	-	-	(5,681)	(5,681)	(65,852)	-	(65,852)
Conversion rights of subsidiary's convertible bonds	-	-	871,666	-	-	-	-	-	-	-	-	-	871,666	831,804	1,703,470
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407,638	1,407,638
Due to donated assets received	-	-	683	-	-	-	-	-	-	-	-	-	683	-	683
Cash dividends by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,825,180)	(3,825,180)
Balance at December 31, 2021	$ 5,862,217	-	18,304,186	1,342,786	1,330,442	7,136,458	9,809,686	(4,905,534)	(527,417)	-	(6,056)	(5,439,007)	28,537,082	23,625,856	52,162,938

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before income tax	$ 17,205,727	16,238,190
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	6,285,301	5,791,202
Amortization expenses	225,429	356,495
Expected credit reversal gains	(481)	(12,341)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	341,804	(457,709)
Interest expenses	332,325	105,939
Interest income	(147,798)	(259,875)
Dividend income	(286,232)	(13,216)
Share-based compensation cost	-	18,608
Shares of loss (gain) of associates accounted for using equity method	(217,254)	25,328
Losses (gains) on disposal of property, plant and equipment	(17,747)	1,126
Gains on disposal of investments	(113,180)	(34,165)
Reversal of impairment losses on financial assets	(3,454)	(22,519)
Recognition of impairment losses on non-financial assets	8,908	444,064
Recognition (reversal) of write-down of inventory	(48,093)	79,390
Reversal of provisions	(314,804)	(632,014)
Total adjustments	6,044,724	5,390,313
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(1,361,105)	112,146
Inventories	(517,907)	(609,735)
Prepayments	(1,094,824)	59,349
Other financial assets	(16,542)	(20,104)
Other operating assets	(59,534)	257,359
Contract liabilities	12,515,171	(3,513,125)
Notes and accounts payable (including related parties)	361,142	24,699
Net defined benefit liabilities	(428,715)	(173,424)
Other operating liabilities	1,203,461	(146,809)
Total changes in operating assets and liabilities	10,601,147	(4,009,644)
Total adjustments	16,645,871	1,380,669
Cash inflow generated from operations	33,851,598	17,618,859
Interest received	125,470	258,838
Dividends received	286,232	13,216
Interest paid	(84,820)	(106,332)
Income taxes paid	(3,196,179)	(3,203,771)
Net cash flows generated from operating activities	30,982,301	14,580,810

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(529,277)	(95,357)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	42,267	12,561
Acquisition of financial assets at amortized cost	(330,000)	-
Proceeds from disposal of financial assets at amortized cost	280,000	250,000
Acquisition of financial assets at fair value through profit or loss	(13,579,261)	(5,611,917)
Proceeds from disposal of financial assets at fair value through profit or loss	124	2,103,746
Acquisition of investments accounted for using equity method	(146,837)	(3,958,110)
Proceeds from disposal of investments accounted for using equity method	128,629	516,948
Cash dividends from investment accounted for using equity method	221,598	99,406
Acquisition of property, plant and equipment	(6,010,740)	(9,168,800)
Proceeds from disposal of property, plant and equipment	65,121	105,647
Acquisition of intangible assets	(6,256)	(3,631)
Net cash inflows from business combination	58,787	-
Decrease (increase) in other financial assets	785,902	(1,816,568)
Increase in other prepayments	(192,381)	-
Net cash flows used in investing activities	(19,212,324)	(17,566,075)
Cash flows from financing activities:		
Decrease (increase) in short-term loans	(3,011,698)	676,375
Repayments of long-term borrowings	(170,495)	(237,741)
Decrease in guarantee deposits	(34,658)	(156,243)
Repayment of the principal portion of lease liabilities	(203,538)	(198,464)
Cash dividends and capital surplus distribution	(5,275,995)	(2,931,109)
Proceeds from bonds offerings	46,812,845	-
Distribution of cash dividends for non-controlling interests	(3,825,180)	(5,313,154)
Donation surplus	683	873
Change in non-controlling interests	-	(6,252)
Net cash flows generated from (used in) financing activities	34,291,964	(8,165,715)
Effect of exchange rate changes on cash and cash equivalents	(2,756,625)	62,145
Net increase (decrease) in cash and cash equivalents	43,305,316	(11,088,835)
Cash and cash equivalents at beginning of period	23,812,590	34,901,425
Cash and cash equivalents at end of period	$ **67,117,906**	**23,812,590**

See accompanying notes to consolidated financial statements.

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

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

1. Company history

Sino-American Silicon Products Inc. (“SAS” or “the Company”) was incorporated in accordance with the Company Act of the Republic of China in January 1981. The address of its registered is No.8, Industrial East Road 2, Science Based Industrial Park, Hsinchu, Taiwan, R.O.C. The Company, as well as its subsidiaries (together referred to as the “Group”), mainly engages in the design, production, and sale of semi-conductor silicon materials and components, rheostat, optical and communications wafer materials; also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company’s common stocks have been officially listed and traded on Taipei Exchange since March 2001.

For the purpose of reorganization and professional division of work and enhancing competitiveness and business performance, a resolution was reached at the shareholders’ meeting on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations), by the way of incorporation and demerger, transferred to the Company’ s 100% owned subsidiaries, GlobalWafers Co., Ltd. (hereinafter referred to as “GlobalWafers”) and Sino Sapphire CO., LTD (hereinafter referred to as “Sino Sapphire”) with the base date of demerger scheduled on October 1, 2011. The Company based on the net book value of the semi-conductor business shall pay a price of NT$38.5 per share for acquiring 180,000 thousand shares at NT$ 10 par value of GlobalWafers; also, based on the sapphire business net assets shall pay a price of NT$ 40 per share for acquiring 40,000 thousand shares at NT$ 10 par value of Sino Sapphire.

GlobalWafers’s common shares have been listed on Taipei Exchange (“TPEx”) since September 25, 2015, and were delisted from the Emerging Market at the same date.

The Group acquired all outstanding ordinary shares of SunEdison Semiconductor Limited (hereinafter referred to as SunEdison) on December 2, 2016 so that it acquired the control over SunEdison Semiconductor Limited and its subsidiaries. SunEdison is the world’ s leading semiconductor wafer manufacturer and supplier. Since its inception, SunEdison has been a leader in wafer design and R&D technology. SunEdison’s R&D and manufacturing bases are located throughout the United States, Europe and Asia to develop next generation high performance semiconductor wafers. Through this acquisition, the Group will be able to increase its global market share, customer base, other wafer technology and capacity and expand operations.

2. Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on March 17, 2022.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Group has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(2) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

4. Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the Regulations), International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C (hereinafter referred to as the "IFRSs endorsed by the FSC").

(2) Basis of preparation

A. Basis of measurement

Expect for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value;

(b) Financial assets at fair value through other comprehensive income are measured at fair value;

(c) Cash-settled-shared-based payment liability is measured at fair value;

(d) The defined benefit liabilities (assets) are measured at fair value of the plan assets, less the present value of the defined benefit obligation and the asset ceiling, as explained in note 4(16).

B. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company' s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for alike transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

B. List of subsidiaries in the consolidated financial statements:

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020	Note
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	
Sino-American Silicon Products Inc.	GlobalWafers	Manufacturing and trading of semiconductor silicon materials and components,	51.17%	51.17%	
Sino-American Silicon Products Inc.	Aleo Solar GmbH (Aleo Solar)	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Power generating business	100%	100%	
Sino-American Silicon Products Inc.	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	
Sino-American Silicon Products Inc.	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	100%	-	Note 5
Sino-American Silicon Products Inc.	Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	Semiconductor special gas and chemical materials	30.93%	-	Note 4
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Investment activities	-	100%	Note 6
SAS Sunrise Inc.	Sulu Electric Power and Light Inc. (Sulu)	Power generating business	40%	40%	Note 1
SAS Sunrise Pte. Ltd.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	Note 2
AMLED	Sulu	Power generating business	45%	45%	
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Inc. (GWI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GlobalWafers	GWafers Singapore Pte. Ltd. (GWafers Singapore)	Investment activities	100%	100%	
GlobalWafers	Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Power generating business	100%	100%	

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020	Note
GlobalWafers	Sunrise PV Five Co., Ltd. (Sunrise PV Five)	Power generating business	100%	100%	
GlobalWafers	GWC Capital Co., Ltd. (GWH)	Investment activities	100%	100%	
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100%	100%	
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of silicon wafers	100%	100%	
SST	MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Semiconductor silicon wafer R&D, manufacturing and sales	100%	100%	
GWafers Singapore	GlobalWafers Singapore Pte Ltd. (GWS)	Investment holding and trading	100%	100%	Note 3(1)
GWS	GlobalWafers B.V. (GWBV)	Investment activities	100%	100%	
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	
MEMC SpA	MEMC Electronic Materials GmbH (MEMC GmbH)	Trading	-	100%	Note 3(2)
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Epitaxial silicon wafer production and trade of epitaxy foundry business	100%	100%	
GWBV	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWBV	GlobalWafers GmbH (GW GmbH)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GTI	MEMC LLC	Semiconductor silicon wafer R&D, manufacturing and sales	100%	100%	
Topsil A/S	Topsil Semiconductor sp z o o. (Topsil PL)	Manufacturing and trading of silicon wafers	100%	100%	

Note 1: The Group can control the financial and operating strategies of Sulu through effective agreements with its other investors, so Sulu is considered as a subsidiary.

Note 2: The Group does not have an owners' equity of AMLED. However, the Group controls the financial and operating strategies of AMLED and receives all benefits of its operations and net assets based on terms of the agreement. AMLED is considered a subsidiary.

Note 3: The Group adjusted its organizational structure as follows:

(1) Formerly known as SunEdison.

(2) MEMC GmbH completed the liquidation process in December 2021.

Note 4: In August 2021, the Group acquired control of Taiwan Speciality Chemicals after obtaining more than half of the total number of directors in a reshuffle of the Board of Directors.

Note 5: SES was established in April 2021.

Note 6: Liquidation procedures of SAS Sunrise Pte. Ltd. were completed in 2021.

C. Subsidiaries excluded from the consolidated financial statements: None.

(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an equity investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalent

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI, and FVTPL. Financial assets are not reclassified subsequently to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVTOCI described as above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVTOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purposes of this assessment, principal is defined as the fair value of the financial assets on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

(e) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, guarantee deposits and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured by 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12-month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

(f) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

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

(b) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued is recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(e) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(f) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

Derivatives are initially measured at fair value. Subsequent to the initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion cost, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on operating capacity.

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

(9) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid in capital. If the additional paid in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings and improvements: 2~56 years

(b) Machinery and equipment: 1~20 years

(c) Other equipment and leased assets: 1~40 years

(d) Buildings constitute mainly building, mechanical and electrical power equipment, and related engineering, wastewater treatment and sewage system, etc. Each such part is depreciated based on its useful life of 2 to 56 years, 25 years, and 4 to 20 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Leases

At inception of a contract, the Group assesses whether a 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.

A. As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’ s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(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 under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Group’ s estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(12) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

C. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

D. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

(a) goodwill, expertise and trademarks: 4~11 years

(b) development costs: 10 years

(c) software: 2~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then, to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the assets in prior years.

(14) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A. Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated. A provision for site restoration of lease land and the related expense are recognized over the term of the lease.

B. Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Sale of goods

The Group engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Group provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours in which the service is provided, the revenue is recognized by the amount in which the Group has the right to open an invoice. The Group will ask for a monthly payment from the customer and will receive the consideration after opening the invoice.

The Group recognizes the accounts receivable when the goods are delivered, because the Group has the right to unconditionally collect the consideration at that time.

(c) Engineering contract

The Group is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Group recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been billed, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Group expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the loss-making contract is recognized.

If the circumstances change, the estimates of revenue, cost and completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

(d) Services

The Group provides services to its customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

(e) Electric power revenue

The Group recognized its electric power revenue based on the actual electric units and electric rate.

B. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(16) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based payment

The grant date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service conditions at the vesting date.

The non-vested conditions relating to the share-based payment incentives are reflected in the measurement of the fair value of the share-based payment and the difference between the expected and actual results is not subject to verification adjustment.

Grant date of a share-based payment award is the approval date which the Board of Directors reach a consensus in the subscription price and number of shares.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss. Please refer to note 6(21) for its grant date of share-based payment award.

(18) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items related to business combinations, or items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(19) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquire’ s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group’ s financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(20) Earnings per share

The Group discloses the Company’ s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. The Company’s potential diluted ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(21) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements has made judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in the accounting estimates during the period and the impact of those changes in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment of whether the Group has substantial control over investees

The Group holds 30.93% of the voting shares of Taiwan Speciality Chemicals and is the single largest shareholder of Taiwan Speciality Chemicals. The Group used the equity method to account for the investee. The second largest shareholder of Taiwan Speciality Chemicals liquidated, and distributed Taiwan Speciality Chemicals shares in the third quarter of 2021, resulting in a change in the shareholder structure of Taiwan Speciality Chemicals. The Group obtained more than half of the Board seats in the third quarter of 2021 when the Board of Directors of Taiwan Speciality Chemicals was re-elected, so the Group obtained control over Taiwan Speciality Chemicals and began to apply related accounting policies of business combinations.

The Group holds 35.24% of the voting shares of Crystalwise Technology Inc.("Crystalwise"), and the remaining specific shareholders still hold significant voting shares, and it is impossible to exclude the possibility of a joint exercise of rights. The Group and other shareholders' size and distribution of voting rights show that the Group has no controlling power and does not have over half of the broad seats, potential voting rights or other contractual arrangements. The Group evaluated that relevant activities of Crystalwise are not determined based on the votes of the majority voting right holders. Rather, it is based on the majority of the members of the Board of Directors. Therefore, the investors who have voting rights can not control the relevant activities of Crystalwise. The Group had received a variable return from the investee due to holding the ordinary share of Crystalwise. The source of return is dividends. The Group evaluated that it does not have the ability to influence Crystalwise's return due to the lack of the power to control it. The Group concluded that it has no substantive power to decide the relevant activities from the beginning. Therefore, the Group determined that it has significant influence but not control over Crystalwise.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(1) Impairment assessment of property, plant and equipment (including right-to-use assets)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to note 6(10) for further description of the key assumptions used to determine the recoverable amount.

(2) Impairment assessment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(12) for details of the impairment of goodwill.

The Group's finance and accounting departments conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This finance and accounting departments also periodically adjust valuation models, conduct back testing, renew input data for valuation models, and make all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Group recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(28) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 5,413	8,799
Demand deposits	19,076,331	19,039,070
Time deposits	46,829,936	3,604,213
Repurchase agreement	1,206,226	1,160,508
Cash and cash equivalents in the consolidated statement of cash flows	**$ 67,117,906**	**23,812,590**

Please refer to note 6(28) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Financial Assets and Liabilities at Fair Value through Profit or Loss ("FVTPL")

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss－current:		
Overseas securities held	$ -	5,604,312
Forward exchange contracts	3,567	52,356
	$ 3,567	**5,656,668**
Financial assets mandatorily measured at fair value through profit or loss－non-current:		
Overseas securities held	$ 18,173,549	-
Privately offered funds	195,163	117,204
	$ 18,368,712	**117,204**
Held-for-trading financial liabilities:		
Forward exchange contracts	$ 198,631	11,672
Swap exchange contract	-	34,281
	$ 198,631	**45,953**
Financial assets mandatorily measured at fair value through profit or loss－current:		
Derivative instruments－convertible bonds	**$ 178,637**	**-**

The amount of gains or losses recognized for the financial assets at fair value through profit or loss of the Group; please refer to note 6(26).

During the years ended December 31, 2021 and 2020, the dividends of $276,229 thousand and $2,210 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedging accounting and accounted them as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities as of December 31, 2021 and 2020:

	December 31, 2021			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts purchased	EUR	1,300	EUR to USD	January 26, 2022
Forward exchange contracts purchased	EUR	1,300	EUR to USD	January 6, 2022

	December 31, 2021			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts sold	USD	29,550	USD to EUR	January 26, 2022~ March 25, 2022
Forward exchange contracts sold	USD	1,930	USD to KRW	January 28, 2022
Forward exchange contracts purchased	JPY	50,000	JPY to EUR	February 25, 2022
Forward exchange contracts purchased	JPY	208,426	JPY to KRW	January 28, 2022
Forward exchange contracts purchased	EUR	5	EUR to KRW	January 28, 2022
Forward exchange contracts purchased	JPY	14,000,000	JPY to NTD	January 28, 2022~ May 26, 2022

	December 31, 2020			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	24,100	USD to EUR	January 26, 2021~ February 25, 2021
Forward exchange contracts sold	USD	2,560	USD to KRW	January 29, 2021
Forward exchange contracts purchased	JPY	20,000,000	JPY to NTD	January 20, 2021~ June 11, 2021
Forward exchange contracts purchased	JPY	50,000	JPY to EUR	February 25, 2021
Forward exchange contracts purchased	JPY	245,381	JPY to KRW	January 29, 2021
Forward exchange contracts purchased	EUR	111	EUR to KRW	January 29, 2021
Swap exchange contracts	USD	80,000	USD to NTD	January 29, 2021~ February 3, 2021

For the disclosure of market risk, please refer to note 6(28).

The financial assets mentioned above were not pledged as collateral.

(3) Financial assets at fair value through other comprehensive income－non-current

		December 31, 2021	December 31, 2020
Equity investments at fair value through other comprehensive income:			
Equity investment in foreign entities	$	1,066,068	377,060
Equity investment in domestic entities		224,763	107,570
Total	$	**1,290,831**	**484,630**

The Group designated the equity investments shown above as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

No strategic investments were disposed for the years ended December 31, 2021 and 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For the disclosure of market risk, please refer to note 6(28).

The financial assets mentioned above were not pledged as collateral.

(4) Financial assets measured at amortized cost－current

		December 31, 2021	December 31, 2020
Corporate bonds－Crystalwise Technology Inc.	$	**331,609**	**277,895**

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In October 2021, the Group purchased the private corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal amount of $330,000 thousand. The coupon rate and effective interest rate were both 2.00%, and the bond is due in October 2022.

In January 2019, the Group purchased the private corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal amount of $250,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due in January, 2020. In January 2016, the Group purchased the private corporate bonds of Crystalwise Technology Inc. for a five-year period at a principal amount of $280,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due in October 2021.

As of December 31, 2021 and 2020, the Group has estimated the impairment reversal gains amounting to $3,454 thousand and $22,519 thousand, respectively.

For the disclosure of credit risk, please refer to note 6(28).

The financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

	December 31, 2021	December 31, 2020
Notes receivable	$ 142,478	149,634
Accounts receivable	9,689,197	8,193,728
Less: Allowance for doubtful accounts	(11,275)	(11,206)
	$ 9,820,400	**8,332,156**

The Group applied the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The loss allowance provision of solar energy segment (including related parties) was determined as follows:

	December 31, 2021		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 752,844	0%	-
1 to 30 days past due	28,507	0%	-
91 to 120 days past due	4,507	100%	4,507
	$ 785,858		**4,507**

	December 31, 2020		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 313,750	0%	-
1 to 30 days past due	57,776	0%	-
More than 181 days past due	3,861	100%	3,861
	$ 375,387		**3,861**

The loss allowance provision of semiconductor segment (including related parties) was determined as follows:

	December 31, 2021		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 8,902,081	0%	-
1 to 30 days past due	196,553	0%	-
31 to 60 days past due	4,978	0%	-
61 to 90 days past due	60	0%	-
121 to 150 days past due	1,306	0%	-
More than 181 days past due	6,768	100%	6,768
	$ 9,111,746		**6,768**

	December 31, 2020		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 7,955,764	0%	-
1 to 30 days past due	76,019	0%	-
31 to 60 days past due	1,755	33%	577
61 to 90 days past due	83	0%	-
More than 181 days past due	6,768	100%	6,768
	$ 8,040,389		**7,345**

The movement of the credit loss allowance for notes and accounts receivable (including related parties) was as follows:

	2021	**2020**
Balance on January 1	$ 11,206	57,611
Expected credit loss (reversed gain) recognized	(481)	(12,341)
Amounts written off	(6)	(34,663)
Foreign exchange gains (losses)	556	599
Balance on December 31	**$ 11,275**	**11,206**

The Group’s notes and accounts receivable were not pledged as collateral.

(6) Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 1,930,009	2,597,587
Work in progress	2,359,084	1,513,496
Raw materials	4,357,000	3,817,555
	$ 8,646,093	**7,928,638**

Components of operating costs were as follows:

	2021	2020
Cost of goods sold	$ 44,341,844	40,028,000
Impairment loss of property, plant and equipment (note 6 (10))	8,908	431,196
Recognition (reversal) of provisions for inventory valuation loss	(48,093)	79,390
Unallocated fixed manufacturing expense	326,751	377,128
Recognition (reversal) of provision loss (note 6(12))	(314,804)	(632,014)
	$ 44,314,606	**40,283,700**

The Group's inventories mentioned above were not pledged as collateral.

(7) Investments accounted for using equity method

Names of affiliated companies	Relationship with the Group	Main location/ country registered in	Percentage of equity ownership interests and voting rights December 31, 2021	December 31, 2020
Actron Technology Corporation	Mainly engages in the manufacturing of electronic component	Taiwan	22.75%	21.31%
Taiwan Speciality Chemicals Corporation (hereinafter referred to as Taiwan Speciality Chemicals)	The main business is manufacturing of semiconductor special gas and chemical materials.	Taiwan	Note C	30.93%
Crystalwise Technology Inc.	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	35.24%	41.93%
Hongwang Investment Co., Ltd. (Hongwang)	The main business is general trading	Taiwan	30.98%	30.98%
Accu Solar Corporation (TSCS)	The main business is providing solar modules.	Taiwan	24.70%	24.70%

Names of affiliated companies	Relationship with the Group	Main location/ country registered in	Percentage of equity ownership interests and voting rights December 31, 2021	December 31, 2020
Advanced Wireless Semiconductor Company (Advanced Wireless)	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	22.90%	22.90%

A summary of financial information for investments accounted for using equity method that are individually insignificant at the reporting date was as follows:

	December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	$ 6,959,532	7,158,811

A summary of financial information for investments accounted for using equity method that are individually insignificant at the reporting date was as follows:

	2021	2020
Attributable to the Group:		
Net loss	$ 217,254	(25,328)
Other comprehensive loss	551,647	728,216
Total comprehensive loss	$ 768,901	702,888

A. The Group acquired 22.90% of the private placement of shares in Advance Wireless Semiconductor Company (Advanced Wireless) with cash consideration of $3,496,500 thousand on August 18, 2020. The Group had significant influence over Advanced Wireless.

B. The Group's Broad of Directors resolved to dispose of the entire 30% ordinary shares, 45,000 thousand shares, of Cathay Sunrise to San Ching Engineering Corp. at $11.5 per share on May 7, 2020, and the Group has lost significant influence since then. The disposal price was $517,500 thousand, and the gain was $34,165 thousand.

C. The Group had acquired a total of 30.93% of the common shares of Taiwan Speciality Chemicals as of August 2021. Taiwan Speciality Chemicals' Board of Directors was fully re-elected in August 2021, and the Group obtained more than half of the Board seats. Thus the Group obtained the control over the investee and included it in the consolidated financial statements from the date of obtaining control. The remeasured gains amounting to $2,501 thousand were recognized as other gains and losses.

D. The Group sold ordinary shares of Crystalwise Technology in the publicly traded market in 2021 amounting to $128,129 thousand. Gains on disposal of investments amounting to $110,679 thousand were recognized as other gains and losses. As of December 31, 2021, the accumulated shareholding was 35.24%.

E. The Group purchased outstanding shares of Actron Technology Corporation in the publicly traded market in the years of 2021 and 2020 amounting to $146,837 thousand and $461,610 thousand, respectively. As of December 31, 2021, the accumulated shareholding is 22.75%.

F. As of December 31, 2021 and 2020, the cash dividends from the investees were $221,598 thousand and $99,406 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

G. Collateral

The Group did not pledge any investments accounted for using the equity method as collateral.

(8) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		% of ownership interests under non-controlling interests as well as the voting rights	
Name of subsidiary	**Main business place / company registered country**	**December 31, 2021**	**December 31, 2020**
GlobalWafers	Taiwan	48.83 %	48.83 %

The following information of the aforementioned subsidiary was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial information included the fair value adjustments made at the acquisition date. Intragroup transactions between the Company and GlobalWafers were not eliminated in this information.

	December 31, 2021	December 31, 2020
Current assets	$ 88,664,515	49,586,369
Non-current assets	61,980,461	45,265,248
Current liabilities	(31,058,295)	(29,331,386)
Non-current liabilities	(73,955,178)	(21,365,331)
Net assets	**$ 45,631,503**	**44,154,900**
Non-controlling interests	**$ 22,281,784**	**21,561,201**

	2021	2020
Sales revenue	**$ 61,130,592**	**55,358,788**
Net income	$ 11,870,037	13,103,631
Other comprehensive income	(4,262,638)	347,092
Net profit attributable to non-controlling interests	**$ 7,607,399**	**13,450,723**
Comprehensive income, attributable to non-controlling interests	**$ 5,796,139**	**6,398,503**
Comprehensive income, attributable to non-controlling interests	**$ 3,714,692**	**6,567,988**

		2021	2020
Net cash flows from operating activities	$	29,301,561	14,563,559
Net cash flows from investing activities		(18,280,421)	(13,471,752)
Net cash flows from financing activities		35,156,335	(11,217,706)
Effects of changes in foreign exchange rates		(2,722,534)	(256,132)
Net decrease in cash and cash equivalents	**$**	**43,454,941**	**(10,382,031)**

(9) Business combination

Acquiring Taiwan Speciality Chemicals as a subsidiary

A. Considerations transferred to acquire a subsidiary

The Group had acquired a total of 30.93% of the common shares of Taiwan Speciality Chemicals as of August 2021. The Group obtained more than half of the Board seats of Taiwan Speciality Chemicals in August 2021 and thus obtained the control over the company which was included in the consolidated financial statements from the date of obtaining control.

B. The details of identifiable net assets obtained and the fair value of assets and liabilities assumed are as follows:

The details of the identifiable assets and liabilities assumed of Taiwan Speciality Chemicals on August 25, 2021 (the date when control was obtained) are as follows:

Considerations transferred			$	-
Add: the fair value of the original equity of the acquiree				810,000
Non-controlling interests (measured by the ratio of identifiable net assets to non-controlling interests)				1,407,638
Less: fair value of identifiable net assets				
Cash and cash equivalents	$	58,787		
Notes and accounts receivable, net		119,441		
Inventories		101,052		
Prepayment and other current assets		10,320		
Property, plant and equipment, net		1,445,587		
Intangible assets－patent right		495,000		
Other non-current assets		3,260		
Accounts payable		(8,111)		
Other current liabilities		(37,025)		
Other non-current liabilities		(322)		
Long-term borrowings		(150,000)		2,037,989
Goodwill			**$**	**179,649**

The Group will continue to monitor the above items during the measurement period. If, within one year from the date of acquisition, new information related to the facts and circumstances that existed on the date of acquisition is obtained, and adjustments to the above-mentioned provisional amount or any additional provision for liabilities at the date of acquisition can be identified, the accounting treatment of acquisition will be revised

C. Intangible assets

Intangible assets-patent rights is amortized on the straight-line method based on its economic benefit life of 11 years.

Goodwill mainly comes from profitability, the combined synergy of Taiwan Speciality Chemicals, and the future development of the semiconductor specialty gas market. Goodwill is expected to have no income tax effect.

D. Pro forma of operating results

Since August 25, 2021, the operating results of Taiwan Speciality Chemicals have been merged into the consolidated comprehensive income statement of the Group. The net operating revenues and net profit after tax contributed are $127,916 thousand and $33,821 thousand, respectively. If it is assumed that the acquisition date occurred on January 1, 2021, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2021 will increase by $419,625 thousand and $140,405 thousand, respectively.

(10) Property, plant and equipment

A. The movements of cost, depreciation and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2021	$ 3,294,013	21,137,323	67,801,222	5,777,932	1,621,233	99,631,723
Acquisition through business combination	797,910	470,440	934,735	236,672	12,140	2,451,897
Additions	-	6,218	58,822	584,909	5,320,670	5,970,619
Disposals	-	(340,821)	(17,217,129)	(462,280)	(3,290)	(18,023,520)
Reclassification and transfer	58,148	(46,140)	(1,019,948)	3,452,285	(3,035,046)	(590,701)
Effect of changes in exchange rates	(307,500)	(1,640,423)	(6,255,484)	(443,108)	(139,564)	(8,786,079)
Balance at December 31, 2021	**$ 3,842,571**	**19,586,597**	**44,302,218**	**9,146,410**	**3,776,143**	**80,653,939**
Balance at January 1, 2020	$ 3,407,360	18,779,888	56,216,092	5,170,147	8,850,371	92,423,858
Additions	-	912,217	463,186	377,145	6,771,969	8,524,517
Disposals	-	(39,561)	(1,546,251)	(261,780)	-	(1,847,592)
Reclassification and transfer	(23,626)	1,770,153	11,067,440	999,494	(13,885,042)	(71,581)
Effect of changes in exchange rates	(89,721)	(285,374)	1,600,755	(507,074)	(116,065)	602,521
Balance at December 31, 2020	**$ 3,294,013**	**21,137,323**	**67,801,222**	**5,777,932**	**1,621,233**	**99,631,723**

		Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Depreciation and impairment loss:							
Balance at January 1, 2021	$	-	10,326,243	43,876,425	2,974,018	-	57,176,686
Acquisition through business combination		-	114,827	730,842	148,501	12,140	1,006,310
Depreciation for the year		-	787,785	4,682,801	627,841	-	6,098,427
Impairment loss		-	-	8,908	-	-	8,908
Disposals		-	(336,010)	(17,186,306)	(453,830)	-	(17,976,146)
Reclassification and transfer		-	(277,813)	(1,314,582)	1,082,847	-	(509,548)
Effect of changes in exchange rates		-	(927,464)	(4,435,664)	(216,042)	-	(5,579,170)
Balance at December 31, 2021	**$**	**-**	**9,687,568**	**26,362,424**	**4,163,335**	**12,140**	**40,225,467**
Balance at January 1, 2020	$	-	9,765,738	39,762,324	2,619,081	-	52,147,143
Depreciation for the year		-	782,938	4,431,317	394,158	-	5,608,413
Impairment loss		-	-	423,739	7,457	-	431,196
Disposals		-	(30,627)	(1,535,698)	(174,494)	-	(1,740,819)
Reclassification and transfer		-	(18,960)	(550,903)	590,777	-	20,914
Effect of changes in exchange rates		-	(172,846)	1,345,646	(462,961)	-	709,839
Balance at December 31, 2020	**$**	**-**	**10,326,243**	**43,876,425**	**2,974,018**	**-**	**57,176,686**
Carrying amounts:							
Balance at December 31, 2021	**$**	**3,842,571**	**9,899,029**	**17,939,794**	**4,983,075**	**3,764,003**	**40,428,472**
Balance at January 1, 2020	**$**	**3,407,360**	**9,014,150**	**16,453,768**	**2,551,066**	**8,850,371**	**40,276,715**
Balance at December 31, 2020	**$**	**3,294,013**	**10,811,080**	**23,924,797**	**2,803,914**	**1,621,233**	**42,455,037**

B. Impairment loss

As of December 31, 2021 and 2020, the Group recognized impairment loss of some machinery amounting to $8,908 thousand and $431,196 thousand, respectively, due to the changes in production technology, which incurred as operating costs in the statement of comprehensive income.

C. Collateral

The property, plant and equipment of the Group had been pledged as collateral for long-term and short-term loans and credit lines. Please refer to note 8.

(11) Right-of-use assets

		Land	Buildings	Machinery and equipment	Other equipment	Total
Cost:						
Balance at January 1, 2021	$	652,192	288,206	1,409	228,529	1,170,336
Acquisition through business combination		-	-	-	565	565
Additions		55,250	20,151	287	148,044	223,732
Disposal		-	(14,435)	(1,385)	(127,158)	(142,978)
Reclassification		-	-	-	234	234
Effect of changes in exchange rates		(2,883)	(16,304)	(27)	(24,971)	(44,185)
Balance at December 31, 2021	**$**	**704,559**	**277,618**	**284**	**225,243**	**1,207,704**
Balance at January 1, 2020	$	611,124	291,816	37,494	153,879	1,094,313
Additions		84,257	2,386	-	45,622	132,265
Disposal		(39,852)	(2,859)	(116)	(4,556)	(47,383)
Reclassification		-	-	(35,358)	35,358	-
Transfer and others		(3,510)	(2,235)	-	(4,514)	(10,259)
Effects of changes in exchange rates		173	(902)	(611)	2,740	1,400
Balance at December 31, 2020	**$**	**652,192**	**288,206**	**1,409**	**228,529**	**1,170,336**
Accumulated depreciation:						
Balance at January 1, 2021	$	73,701	99,873	929	162,968	337,471
Acquisition through business combination		-	-	-	328	328
Depreciation for the year		45,844	49,385	514	91,131	186,874
Disposal		-	(14,435)	(1,385)	(125,730)	(141,550)
Reclassification		-	-	-	234	234
Effects of changes in exchange rates		1,791	(6,039)	(17)	(16,616)	(20,881)
Balance at December 31, 2021	**$**	**121,336**	**128,784**	**41**	**112,315**	**362,476**
Balance at January 1, 2020	$	41,880	53,210	10,237	75,377	180,704
Depreciation for the year		45,294	52,530	730	84,235	182,789
Disposal		(9,182)	(2,859)	(116)	(5,389)	(17,546)
Reclassification		-	-	(9,735)	9,735	-
Effects of changes in exchange rates		(4,291)	(3,008)	(187)	(990)	(8,476)
Balance at December 31, 2020	**$**	**73,701**	**99,873**	**929**	**162,968**	**337,471**
Carrying amount:						
Balance at December 31, 2021	**$**	**583,223**	**148,834**	**243**	**112,928**	**845,228**
Balance at January 1, 2020	**$**	**569,244**	**238,606**	**27,257**	**78,502**	**913,609**
Balance at December 31, 2020	**$**	**578,491**	**188,333**	**480**	**65,561**	**832,865**

(12) Intangible assets

The movements of cost and amortization of the intangible assets of the Group for the years ended December 31, 2021 and 2020 were as follows:

	Goodwill	Patents, expertise and trademarks	Development costs	Computer software	Total
Cost:					
Balance at January 1, 2021	$ 2,327,364	1,757,731	296,841	69,839	4,451,775
Acquisition through business combination	179,649	495,000	-	539	675,188
Additions	-	-	-	6,256	6,256
Reclassification	-	-	-	525	525
Effect of changes in exchange rates	(221,241)	(3,536)	(24,018)	(1,981)	(250,776)
Balance at December 31, 2021	**$ 2,285,772**	**2,249,195**	**272,823**	**75,178**	**4,882,968**
Balance at January 1, 2020	$ 2,421,056	1,702,745	104,671	-	4,228,472
Additions	-	-	-	3,631	3,631
Reclassification	-	61,616	185,985	69,827	317,428
Effect of changes in exchange rates	(93,692)	(6,630)	6,185	(3,619)	(97,756)
Balance at December 31, 2020	**$ 2,327,364**	**1,757,731**	**296,841**	**69,839**	**4,451,775**
Amortization:					
Balance at January 1, 2021	$ -	1,384,540	207,941	61,831	1,654,312
Amortization for the year	-	207,907	13,699	3,823	225,429
Acquisition through business combination	-	-	-	354	354
Effect of changes in exchange rates	-	(3,315)	(17,460)	(1,701)	(22,476)
Balance at December 31, 2021	**$ -**	**1,589,132**	**204,180**	**64,307**	**1,857,619**
Balance as of January 1, 2020	$ -	997,181	3,708	-	1,000,889
Amortization for the year	-	331,480	14,436	2,866	348,782
Reclassification	-	61,616	185,985	69,827	317,428
Effect of changes in exchange rates	-	(5,737)	3,812	(10,862)	(12,787)
Balance at December 31, 2020	**$ -**	**1,384,540**	**207,941**	**61,831**	**1,654,312**
Carrying amounts:					
Balance at December 31, 2021	**$ 2,285,772**	**660,063**	**68,643**	**10,871**	**3,025,349**
Balance at January 1, 2020	**$ 2,421,056**	**705,564**	**100,963**	**-**	**3,227,583**
Balance at December 31, 2020	**$ 2,327,364**	**373,191**	**88,900**	**8,008**	**2,797,463**

For the purpose of impairment testing, goodwill was allocated to the semiconductor business segment and solar energy segment. The Group’ s goodwill has been tested for impairment at least once at the end of each annual reporting period and the recoverable amount is determined based on discounted cash flows.

The recoverable amount of the Semiconductor Segment and Solar Energy Segment was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

	December 31, 2021	**December 31, 2020**
Discount rate	4.97%~13%	7.89 %
Budgeted EBITDA growth rate	2%~2.46%	3.42 %

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model.

Based on the result of the Group’s assessment, no goodwill impairment losses were recognized.

The intangible assets mentioned above were not pledged as collateral.

(13) Short-term borrowings

	December 31, 2021	**December 31, 2020**
Unsecured bank loans	$ 7,744,000	10,771,000
Purchase of materials loan	15,302	-
	$ 7,759,302	**10,771,000**
Unused credit lines	**$ 35,207,145**	**21,721,439**
Range of interest rates at the year end	**0.20%~0.54%**	**0.56%~0.64%**

Please refer to note 8 for details of the related assets pledged as collateral.

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2021			
	Currency	**Interest**	**Maturity**	**Amount**
Secured bank loans	NTD	1.18%	2029.1	$ 60,000
Unsecured borrowings	NTD	1.06%	2029.12	970,876
Less: current portion				(31,832)
Total				**$ 999,044**

	December 31, 2020			
	Currency	**Interest**	**Maturity**	**Amount**
Unsecured borrowings	NTD	1.22%	2029.12	$ 1,080,816
Less: current portion				(32,752)
Total				**$ 1,048,064**

	December 31, 2021	December 31, 2020
Unused credit lines	**$ -**	**300,000**

Please refer to note 8 for details of the related assets pledged as collateral.

(15) Bonds payable

The details of bonds payable were as follow:

	December 31, 2021
Unsecured corporate bonds	$ 18,980,771
Unsecured convertible bonds	26,143,969
Total	**$ 45,124,740**

A. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue unsecured bonds for the first time in 2021. On May 11, 2021, Fubon Commercial Bank, Taipei, Taiwan, was entrusted to issue the bonds. The bonds were issued for a term of five years and matured on May 11, 2026. The total amount of the bond is $6,500,000 thousand and the coupon rate is 0.62% ◦

B. On April 21, 2021, the Board of Directors resolved to issue the second unsecured corporate bonds for the year 2021, which were entrusted to Taipei Fubon Commercial Bank Co on August 19, 2021. The total amount of the bonds is $12,500,000 thousand, which were divided into two types of notes, A and B, depending on the terms of issuance, amounting to $7,100,000 thousand and $5,400,000 thousand, respectively, with maturities of three years and five years, and maturing on August 19, 2024, and August 19, 2026, respectively, with coupon rates of 0.5% and 0.6%, respectively.

C. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first overseas unsecured convertible bonds, which were approved by the FSC in letter No. 1100342091 dated May 19, 2021. On June 1, 2021, the bonds were issued on the Singapore Stock Exchange for a period of five years and matured on June 1, 2021. The maturity date is June 1, 2026, and the total amount of the issue is US$1,000,000 thousand with 0% interest rate.

The details of unsecured convertible bonds were as follow:

		December 31, 2021
Total amount of convertible bonds issued	$	27,565,891
Unamortized balance of discount on bonds payable		(1,421,922)
Accumulated Converted Amount		-
Balance at December 31, 2021	**$**	**26,143,969**
Embedded derivatives - redemption rights and conversion rights (reported as financial liabilities at fair value through profit or loss - non-current)	**$**	**178,637**
Issue Price (less transaction costs 77,517 thousand)	$	27,834,483
Equity components (less transaction costs allocated to equity4,744 thousand)		(1,703,470)
Sell / Redeem Derivatives (allocated transaction costs 473 thousand)		(169,791)
Liability components at issue date (less transaction costs allocated to liability 72,300 thousand)		25,961,222
Interest calculated at an effective rate of 1.20%		182,747
Liability components as of December 31, 2021	**$**	**26,143,969**

Except for the period of early redemption, repurchase and cancellation, the exercise of conversion rights by the bondholders, or the cessation of transfer period as provided by law or otherwise specified in the Trust Deed, the bondholders may request the issuer to convert the bonds into newly issued common shares of the issuer from the day following the third month of the issuance of the bonds until (1) ten days before the maturity date or (2) the fifth business day before the date of early redemption rights of the bonds (the "Conversion Period") following the relevant laws and regulations and the Trust Deed.

The conversion price was set at $1,040.20 per share on May 24, 2021, based on the closing price of GlobalWafers' ordinary shares on the Taipei Exchange on the pricing date plus a 40% premium. The conversion price was determined by multiplying the face value of the bonds by the fixed exchange rate of U.S. Dollar to New Taiwan Dollar (US$1=$27.912) determined at the date of pricing and dividing it by the conversion price. After the issuance of the bonds, the conversion price shall be adjusted by the relevant anti-dilution provisions of the Trust Deed. However, as the Group shall pay cash dividends, the conversion price shall be adjusted by the aforementioned provisions. By the aforementioned provisions, the conversion price of the first unsecured overseas convertible bonds was adjusted from $1,040.20 to $1,028.46 on July 22, 2021, the day after the ex-dividend date. As of December 31, 2021, the first adjustment of the conversion price of the bonds has been executed.

The above convertible bonds consist of liability and equity components, and the equity component is recorded as capital surplus-conversion rights. The effective interest rate recognized for the liability component was 1.20%。

(16) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	December 31, 2021	December 31, 2020
Current (recognized under other current liabilities)	$ 171,043	117,759
Non-current (recognized under other non-current liabilities)	$ 681,623	728,314

For the maturity analysis, please refer to note 6(28) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 11,277	10,911
Variable lease payments not included in the measurement of lease liabilities	$ 1,860	2,279
Expenses relating to short-term leases	$ 18,524	9,838
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$ 5,769	2,926

The amounts recognized in the statement of cash flows were as follows:

	2021	2020
Total cash outflow for leases	$ 229,691	224,418

A. Land and Buildings lease

The Group leases land and buildings for its facility and office space. The leases of office space typically run for a period of 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Land leases' additional rent payments that are based on changes in local price indices and the public facilities construction costs re invested annually in each park will be adjusted after being assessed.

B. Other leases

The Group leases vehicles and other equipment, with lease terms of two to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(17) Provisions

The movements of the Group's provisions current and non-current were as follows:

		Site restoration	Onerous contracts	Other	Total
Balance of January 1, 2021	$	70,653	4,214,844	-	4,285,497
Provisions made during the year		7,421	-	10,119	17,540
Provisions utilized during the year		-	-	(183)	(183)
Provisions reversed during the year		(3,626)	(314,804)	-	(318,430)
Effect of changes in exchange rates		(6,123)	-	-	(6,123)
Balance of December 31, 2021	**$**	**68,325**	**3,900,040**	**9,936**	**3,978,301**
Current	$	25,319	337,274	1,018	363,611
Non-current		43,006	3,562,766	8,918	3,614,690
Total	**$**	**68,325**	**3,900,040**	**9,936**	**3,978,301**
Balance of January 1, 2020	$	62,005	4,844,899	-	4,906,904
Provisions made during the year		7,839	-	-	7,839
Provisions reversed during the year		(9,798)	(630,055)	-	(639,853)
Effect of changes in exchange rates		10,607	-	-	10,607
Balance of December 31, 2020	**$**	**70,653**	**4,214,844**	**-**	**4,285,497**
Current	$	21,697	221,949	-	243,646
Non-current		48,956	3,992,895	-	4,041,851
Total	**$**	**70,653**	**4,214,844**	**-**	**4,285,497**

A. Site restoration

Under the lease contract, if the Group does not intend to extend its leasehold, the Group needs to restore the plants. The Group estimates the provision based on the lease terms and in accordance with the Group's published environmental policy and applicable legal requirements. A provision for site restoration is made in respect of environmental cleanup costs.

B. Onerous contract

The Group entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Group agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Group according to the contract. Provisions for the onerous contracts were made based on contractual terms and were recognized as cost of sales. For the related agreement, please refer to note 9.

(18) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

		December 31, 2021	December 31, 2020
Total present value of obligations	$	(7,522,079)	(8,155,583)
Fair value of plan assets		5,684,647	5,671,476
Recognized assets for defined benefit obligations	**$**	**(1,837,432)**	**(2,484,107)**

The plans entitle a retired employee to receive a pension benefit based on years of service prior to retirement.

(a) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations of the Group for the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Defined benefit obligations at January 1	$	8,155,583	8,436,845
Current service costs and interest cost		407,166	231,465
Remeasurements for defined benefit obligations			
－Actuarial gains and losses arising from experience adjustments		211,141	161,262
－Actuarial gains and losses resulting from changes in demographic assumptions		(103,261)	280,853
－Actuarial gains and losses resulting from changes in financial assumptions		(79,688)	84,229
Past service credit		-	6,459
Benefits paid		(602,767)	(463,540)
Expected settlement of benefit obligations		-	(424,645)
Effects of changes in exchange rates		(466,095)	(157,345)
Defined benefit obligations at December 31	**$**	**7,522,079**	**8,155,583**

(b) Movements in the fair value of the plan assets

The movements in the fair value of the defined benefit plan assets of the Group for the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Fair value of plan assets at January 1	$	5,671,476	5,489,559
Interest income		82,972	125,720
Remeasurements for defined benefit obligations			
—Return on plan asset (excluding current interest)		250,160	492,356
Contributions made		443,142	254,051
Benefits paid		(503,081)	(308,756)
Expected settlement of benefit obligations		-	(191,699)
Effect of changes in exchange rates		(260,022)	(189,755)
Fair value of plan assets at December 31	$	**5,684,647**	**5,671,476**

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Group' s Bank of Taiwan labor pension reserve account balance amounted to $386,402 thousand as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

Under the employee defined benefit plans of the Group' s subsidiary in Korea, the plan assets comprised of time deposits bearing annual interest rates ranging from 1.74%~2.20%.

In Italy, the Group' s subsidiary contributes an amount to the National Social Security Pension Fund (INPS) for the employee defined benefit plan.

Under the employee defined benefit plans of the entities located in the United States, plan assets are comprised of trust funds with different grades of risks and returns. Plan asset portfolio consists of a variety of financial instruments including cash, equity securities, and income funds.

(c) Changes in the effect of the asset ceiling

As of December 31, 2021 and 2020, there was no effect of the asset ceiling.

(d) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group for the years ended December 31, 2021 and 2020, were as follows:

		2021	2020
Current service costs	$	312,583	94,475
Net interest of defined benefit obligation		11,611	11,270
Past service credit		-	6,459
	$	**324,194**	**112,204**
Operating Costs	$	295,501	78,220
Selling expenses		9,841	11,007
Administrative expenses		10,442	12,001
Research and development expenses		8,410	10,976
	$	**324,194**	**112,204**

(e) Actuarial assumptions

The Group's principal actuarial assumptions at the reporting date were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.28%~3.29%	0.03%~3.06%
Future salary increase rate	1.6%~5.7%	0.8%~5.75%

The estimated amount of contribution to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $165,967 thousand.

The weighted average duration of the defined benefits obligation are 4.19 years to 10.5 years.

(f) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation as of December 31, 2021 and 2020.

		Impact on defined benefit obligations	
Actuarial assumptions		**Increased by 0.25%**	**Decreased by 0.25%**
December 31, 2021			
Discount rate	$	(139,237)	146,563
Future salary increase rate	$	55,813	(51,853)
December 31, 2020			
Discount rate	$	(189,487)	201,145
Future salary increase rate	$	68,394	(62,640)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2021 and 2020.

B. Defined contribution plans

The Group contributes at the rate of 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were $109,066 thousand and $95,533 thousand for the years ended December 31, 2021 and 2020, respectively. Such contributions were made to the Bureau of the Labor Insurance.

The total periodic pension costs of other subsidiaries were recognized as current expenses in accordance with the local regulations of their respective jurisdictions where they are domiciled. The Group recognized the pension costs of $251,670 thousand and $189,711 thousand for its overseas subsidiaries in the years of 2021 and 2020, respectively.

(19) Income tax

A. Income tax expense

The components of income tax expenses in 2021 and 2020 were as follows:

		2021	2020
Current tax expense (profit)			
Current tax expense	$	3,252,998	3,450,406
Deferred tax expense			
Origination of temporary differences		1,337,339	76,722
Income tax expense	**$**	**4,590,337**	**3,527,128**

The amounts of income tax (benefit) recognized in other comprehensive income in 2021 and 2020 were as follows:

		2021	2020
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit obligations	$	34,694	(38,521)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		73,958	-
	$	**108,652**	**(38,521)**

	2021	2020
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	$ (1,232,023)	(33,505)

Reconciliations of income tax and income before income tax for 2021 and 2020 are as follows:

	2021	2020
Income before income tax	$ 17,205,727	16,238,190
Income tax using the Company's domestic tax rate	3,441,145	3,247,638
Effect of tax rates in foreign jurisdiction	417,117	457,100
Shares of profit of foreign subsidiaries accounted for using equity method	1,558,500	1,797,820
Tax effect of permanent differences	234,744	(294,504)
Tax refunded for repatriated offshore funds to Taiwan	-	(547,941)
Investment tax credits	(363,578)	(606,077)
Changes in unrecognized temporary differences and others	(697,591)	(526,908)
	$ 4,590,337	3,527,128

B. Deferred tax assets and liabilities

(a) The deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	$ 2,019,860	1,906,037
Carryforward of unused tax losses	723,032	723,032
	$ 2,742,892	2,629,069

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2021, the information of the Group's unused tax losses for which no deferred tax assets were recognized was as follows:

Year of loss	Unused tax losses	Expiry date
2012 (examined and assessed)	$ 1,403,648	2022
2013 (examined and assessed)	9,728	2023
2017 (examined and assessed)	1,021,784	2027
2018 (examined and assessed)	1,180,000	2028
	$ 3,615,160	

(b) Deferred tax liabilities have not been recognized with respect of the following items:

		December 31, 2021	December 31, 2020
Aggregate amount of temporary differences related to investments in subsidiaries	$	(2,151,112)	(1,535,975)

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2021 and 2020. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities.

(c) Recognized deferred tax assets and liabilities

Deferred tax assets:

		January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	December 31, 2021
Assets:						
Allowance for inventory valuation	$	267,667	21,629	-	(22,267)	267,029
Defined benefit obligations		332,741	(11,305)	(1,648)	5,922	325,710
Equity-method investments		12,556	(2,547)	-	-	10,009
Expected credit loss of accounts receivable		150,830	(4,801)	-	(15,506)	130,523
Depreciation life differences of property, plant and equipment		501,317	146,490	-	(62,293)	585,514
Unrealized exchange losses		23,019	(76,765)	-	46	(53,700)
Others		1,024,691	(230,682)	12,787	(92,926)	713,870
	$	2,312,821	(157,981)	11,139	(187,024)	1,978,955
Liabilities:						
Equity method investments	$	(3,075,516)	(927,211)	1,186,190	-	(2,816,537)
Equity-method investments in domestic		-	-	(73,958)	-	(73,958)
Depreciation life differences of property, plant and equipment and others		(1,898,891)	(252,147)	-	144,182	(2,006,856)
	$	(4,974,407)	(1,179,358)	1,112,232	144,182	(4,897,351)

		January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	December 31, 2020
Assets:						
Allowance for inventory valuation	$	177,678	64,335	-	25,654	267,667
Loss carryforwards		109,042	(107,450)	-	(1,592)	-
Defined benefit obligations		448,658	(158,926)	13,609	29,400	332,741
Equity-method investments		170,672	(134,576)	(23,540)	-	12,556
Expected credit loss of accounts receivable		93,280	-	-	57,550	150,830
Depreciation life differences of property, plant and equipment		163,567	304,418	-	33,332	501,317
Unrealized exchange losses		130,446	(60,084)	-	(47,343)	23,019
Others		634,293	355,150	-	35,248	1,024,691
	$	**1,927,636**	**262,867**	**(9,931)**	**132,249**	**2,312,821**
Liabilities:						
Equity method investments	$	(2,932,566)	(224,907)	81,957	-	(3,075,516)
Depreciation life differences of property, plant and equipment and other		(1,881,310)	38,762	-	(56,343)	(1,898,891)
	$	**(4,813,876)**	**(186,145)**	**81,957**	**(56,343)**	**(4,974,407)**

C. Assessment of tax filings

The Company's income tax returns for the years through 2019 have been examined and approved by the R.O.C. income tax authorities.

(20) Capital and other equity

As of December 31, 2021 and 2020, the authorized common stock of the Company amounted to $8,000,000 thousand, which was divided into 800,000 thousand shares, with a par value of $10 per share, of which $200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible corporate bonds. The issued and outstanding shares of common stock both amounted to $5,862,217 thousand.

The reconciliation of shares outstanding for the years ended December 31, 2021 and 2020 was as follows (in thousands of shares):

	Common stock	
	2021	**2020**
Opening balance at January 1	586,222	584,573
Restricted employee shares	-	1,649
Closing balance at December 31	**586,222**	**586,222**

A. Issuance of common stock

The Company increased capital in GDRs of $610,000 thousand, and issued 61,000 thousand shares of common stock on the Luxembourg on September 9, 2010. The price issued per share was US$2.9048. The total issuance amount is US$177,193 thousand. The cash increase was approved by the Financial Supervisory Commission No. 0990041383. Letter on August 13, 2010. All shares issued were paid and registered on September 9, 2010. The total amount issued was US$177,193. The net amount issued was US$174,931 thousand after deducting the related agent cost US$2,262 thousand, was equivalent to $5,580,288 thousand on the day' s closing exchange rates. The total premium amounting to $4,958,757 thousand was recognized on capital surplus after deducting the related issuance cost of $11,531 thousand.

B. Capital surplus

The balances of capital surplus were as follows:

		December 31, 2021	December 31, 2020
Additional paid in capital	$	8,296,480	10,285,706
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed		1,822,532	1,887,671
Capital surplus recognized under the equity method		7,543,801	6,667,167
Treasury stock transactions		33,314	33,314
Employee stock options		608,059	607,376
	$	**18,304,186**	**19,481,234**

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of $1,989,226 thousand ($3.3933 per share) and $1,416,136 thousand ($2.4157 per share), respectively, were approved during the shareholders' meeting held on December 9, 2021 and June 19, 2020. Relevant information can be found on the Market Observation Post System website.

C. Legal reserve

According to the R.O.C Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital surplus, by way of cash dividends, should be approved by the Board of Directors in a meeting attended by two thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital surplus through issuance of new shares shall be resolved during the shareholders' meeting.

D. Special reserve

When the Company adopted the International Financial Reporting Standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First time Adoption of the IFRSs" exemptions. Retained earnings was increased by $161,317 thousand due to the adjustment of accumulated translation adjustment under the shareholders' equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with Regulatory Permit issued by the FSC on April 6, 2012, a special reserve is appropriated from retained earnings based on the net increase of retained earnings arising from the first adoption of IFRSs. Under such regulation, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the above mentioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equity. The carrying amount of special reserve amounted to $102,349 thousand as of December 31, 2021 and 2020.

According to the rule referred to above, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current year net income and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed. The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

E. Earnings distribution and dividend policy

On June 24, 2020, the amendment to the Company's Articles of Incorporation was approved during the shareholders' meeting. The proposal of surplus earning distribution or loss off-setting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the Board of Directors for approval.

Distribution of earnings, by way of cash, shall be approved in the Board of Directors meeting. The distribution of earnings through issuance of new shares shall be resolved in the stockholders' meeting.

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and subsequently any remaining profit together with any undistributed retained earnings shall be distributed, in form of cash dividends, according to the distribution plan approved by the Board of Directors with two-thirds of directors present and approved by one-half of the present directors and further submitted to the shareholders' meeting, in accordance with the R.O.C. Company Act Section 240(5). The distribution plan to issue new shares should be proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

After considering both the long-term development of the business and the goal of stable growth of earnings per share, the distribution of dividends to shareholders should not be less than 50% of the distributable earnings, which is calculated using the net income of the current year, minus, legal reserve and special reserve. The distribution of cash dividends should not be less than 50% of the total dividends.

On December 9, 2021, the Company's Board of Directors resolved to distribute the first half of 2021 earnings. The earnings were appropriated as follows:

	2021	
	Dividends per share (NT dollar)	**Amount**
Dividends distributed to ordinary shareholders:		
Appropriation of the first half of earnings	$ 0.1067	62,550

On May 6, 2021, the Board of Directors determined the amount of cash dividends for 2020. Moreover, other surplus distribution has met statutory resolution threshold with electronic voting on June 21, 2021, and the general meeting of shareholders was held on August 26, 2021. On December 10, 2020, the Company's Board of Directors resolved to appropriate the first half of 2020 earnings. On March 19, 2020, the appropriation of earnings in 2019 was resolved at the annual meeting of shareholders on June 24, 2020.

The earnings were appropriated as follows:

	2020		2019	
	Dividends per share (NT dollar)	**Amount**	**Dividends per share (NT dollar)**	**Amount**
Dividends distributed to ordinary shareholders:				
Appropriation of the first half of earnings	$ 3.5	2,051,776	-	-
Appropriation of the annual earnings	5.5	3,224,219	2.5843	1,514,973
Total	**$ 9.0**	**5,275,995**	**2.5843**	**1,514,973**

The above-mentioned information is available on the Market Observation Post System website.

G. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned compensation cost	Other	Total
Balance at January 1, 2021	$ (2,325,038)	(1,070,453)	-	(375)	(3,395,866)
Exchange differences on translation of net assets of foreign operations	(2,578,398)	-	-	-	(2,578,398)
Share of exchange differences of associates accounted using equity method	(2,098)	-	-	-	(2,098)
Compensation cost of restricted stock awards of associates accounted using equity method	-	-	-	(5,681)	(5,681)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	213,046	-	-	213,046
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates using equity method	-	329,990	-	-	329,990
Balance at December 31, 2021	**$ (4,905,534)**	**(527,417)**	**-**	**(6,056)**	**(5,439,007)**
Balance at January 1, 2020	$ (2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)
Exchange differences on translation of net assets of foreign operations	(104,374)	-	-	-	(104,374)
Share of exchange differences of associates accounting using equity method	3,680	-	-	-	3,680
Compensation cost of restricted stock awards of associates accounted using equity method	-	-	-	2,893	2,893
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	85,270	-	-	85,270
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	429,519	-	-	429,519
Compensation cost of restricted shares issued	-	-	18,608	-	18,608
Balance at December 31, 2020	**$ (2,325,038)**	**(1,070,453)**	**-**	**(375)**	**(3,395,866)**

(21) Share-based payment

A. Restricted stock to employee

On June 27, 2017, the Company resolved through the shareholders' meeting to issue 6,000 thousand new restricted employee shares. The grant is limited to manager-level (including) above supervisors and full-time employees with special contributions who have served for more than one year at the Company since the grant day. The Company has filed a declaration with the Securities and Futures Commission of FSC and all the shares were issued by the Board of Directors resolution on October 5, 2017. The fair value of the grant was $67.2.

The employees who have been allocated the above-mentioned new restricted employee shares will be able to subscribe for the shares at $20 each. The vested condition is that after receiving the new restricted employee shares, they are still in service according to the following schedule, and their performance reaches A (including) above, then they can obtain the share percentage of the vested condition respectively:

1) 1 year of service: 40%

2) 2 year of service: 70%

3) 3 year of service: 100%

After the employees subscribe for the new shares, they may not sell, pledge, transfer, donate, set or do other disposition of their shares until the vested conditions are fulfilled; new restricted employee shares are subject to the right to participate in the distribution of dividends, and the dividends they receive are not subject to the vested period; the proposal, speech, voting rights and other relevant shareholders' equity of the shareholders meeting of the Company before the vested conditions are the same as the other ordinary shares of the Company; after the issuance, the new restricted employee shares should be immediately delivered to the trust or custody and must not be returned to the trustee for any reason or manner until the vested conditions are fulfilled. The Company will repurchase the restricted stock from employees at the issue price when the vesting conditions cannot be met.

The information of the Company's restricted shares was as follows:

Unit: Thousand shares

	2021	2020
Outstanding at January 1	-	1,649
Vested during the year	-	(1,649)
Outstanding at December 31	-	-

The compensation costs recognized by the Company in 2021 and 2020 were $0 thousand and $18,608 thousand, respectively, and recognized as the operating costs and operating expenses.

B. Cash-settled share-based payment

The Company's subsidiary, GlobalWafers, issued a cash settled share-based payment for a period of four years. The assigned employees are entitled to future cash payments when performing the conditions of service. The condition of the plan requires that employees who are entitled to the above share appreciation rights must be in service on each vested date at the Group (February 28, 2019, February 28, 2020, February 28, 2021 and February 28, 2022). On each vested day, employee is entitled to a 25% share appreciation right. In addition, the share appreciation rights are determined by the share price of GlobalWafers on each vested day and individual performance.

As of December 31, 2021 and 2020, the price of GlobalWafers stock was NT$ 888 and NT$ 708, respectively. For the years ended December 31, 2021 and 2020, the Group recognized the compensation cost amounting to $204,334 thousand and $164,352 thousand, respectively.

(22) Earnings per Share

A. Basic earnings per share

	2021	2020
Net income attributable to the shareholders of the Company	$ **6,811,050**	**6,326,235**
Weighted average number of ordinary shares outstanding (in thousands of shares)	**586,222**	**584,916**
Basic earnings per share (NT dollar)	$ **11.62**	**10.82**

B. Diluted earnings per share

	2021	2020
Net income attributable to the shareholders of the Company	$ **6,811,050**	**6,326,235**
Weighted average number of ordinary shares outstanding (in thousands of shares)	586,222	584,916
Effect of dilutive potential ordinary shares (in thousands of shares)	3,032	5,866
Weighted-average number of ordinary shares outstanding (in thousands of shares)(diluted)	**589,254**	**590,782**
Diluted earnings per share (NT dollar)	$ **11.56**	**10.71**

(23) Revenue from contracts with customers

A. Details of revenues

	2021			2020		
	Semiconductor Segment	**Solar energy Segment and other**	**Total**	**Semiconductor Segment**	**Solar energy Segment**	**Total**
Primary geographical markets:						
Taiwan	$ 11,084,095	2,737,906	13,822,001	10,729,031	1,955,101	12,684,132
Northeast Asia (Japan and Korea)	19,609,054	481,624	20,090,678	16,824,092	368,421	17,192,513
Asia-other	11,958,537	992,973	12,951,510	11,011,666	571,993	11,583,659
America	8,132,016	1,903,650	10,035,666	7,231,434	1,423,332	8,654,766
Europe	9,915,560	1,181,655	11,097,215	7,218,230	1,221,226	8,439,456
Other areas	387,415	456,765	844,180	2,334,142	508,631	2,842,773
	$ 61,086,677	**7,754,573**	**68,841,250**	**55,348,595**	**6,048,704**	**61,397,299**
Major product categories						
Semiconductor wafers	$ 60,612,171	24,567	60,636,738	55,138,940	7,005	55,145,945
Solar cell	-	2,485,299	2,485,299	-	1,937,190	1,937,190
Solar module	-	1,682,882	1,682,882	-	1,593,096	1,593,096
Solar ingot	-	1,624,328	1,624,328	-	928,837	928,837
Semiconductor ingot	360,961	351	361,312	113,541	-	113,541
Solar wafer	-	217,029	217,029	-	170,789	170,789
Others	113,545	1,720,117	1,833,662	96,114	1,411,787	1,507,901
	$ 61,086,677	**7,754,573**	**68,841,250**	**55,348,595**	**6,048,704**	**61,397,299**

B. Contract balances

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Notes and accounts receivable (including related parties)	**$ 9,886,329**	**8,404,570**	**8,502,200**
Contract liabilities	**$ 29,759,181**	**17,896,112**	**21,409,237**

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2021 and 2020, which was included in the contract liability balance at the beginning of the period, was $3,732,465 thousand and $3,581,457 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the semiconductor and solar products sales contracts, in which revenue is recognized when products are delivered to customers.

(24) Remuneration to employees and directors

In accordance with the Articles of Incorporation of the Company, if there is profit in the year, the Company shall accrue 3% to 15% of the profit as employee's remuneration. The Board of Directors decides to distribute it by stock or cash, and the object of distribution includes employees meeting certain conditions; and the Board of Directors decides to accrue up to 3% of the above profit as directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported during the shareholders' meeting. In case the Company has an accumulated loss, it should reserve amounts to make up the losses prior to distributing remuneration to the employees and directors pursuant to the percentage mentioned in the preceding paragraph.

For the years ended December 31, 2021 and 2020, the Company accrued and recognized its employee remuneration amounting to $438,902 thousand and $506,993 thousand and directors remuneration amounting to $45,000 thousand and $45,740 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share dividends, the calculation, based on the shares, shall be calculated using the share price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The amounts as stated in the 2021 and 2020 consolidated financial statements were not significantly different from those approved in the Board of Directors meetings. The information is available on the Market Observation Post System website.

(25) Interest income and finance costs

A. Interest income

	2021	2020
Interest income from bank deposits	$ 141,939	250,425
Interest income from financial assets measured at amortized cost	5,859	9,450
	$ 147,798	**259,875**

B. Financial

	2021	2020
Interest expense of borrowings	$ 84,833	95,028
Interest expense of corporate bonds	236,215	-
Interest expense of lease liability	11,277	10,911
	$ 332,325	**105,939**

(26) Other gains and losses

		2021	2020
Dividend income	$	286,232	13,216
Foreign exchange losses		584,952	(500,736)
Reversal (recognition) of impairment loss on financial assets measured at amortized cost		3,454	22,519
Gains (losses) on financial assets (liabilities) measured at fair value through profit or loss		(703,632)	1,463,187
Compensation		(1,566,000)	-
Gain (losses) on disposal of property, plant and equipment		17,747	(1,126)
Gain on disposal of investees		113,180	34,165
Others		357,074	146,260
	$	**(906,993)**	**1,177,485**

(27) Share of other comprehensive income of associates accounted for using equity method

		2021	2020
Exchange differences on translation of foreign operations	$	(2,098)	3,680
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		551,647	728,216
	$	**549,549**	**731,896**

(28) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The main customers of the Group are from the solar and silicon wafer industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the solar and silicon wafer industry. As of December 31, 2021 and 2020, 40% and 45%, respectively, of the Group’s accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risks of receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6(5). Other financial assets at amortized cost includes other receivables and investments in corporate bonds. For impairment loss on financial assets measured at amortized cost, please refer to note 6(4).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(7) regarding how the Group determines whether the financial instruments are considered to be low credit risk).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more	Over 5 years
December 31, 2021							
Non-derivative financial liabilities							
short-term borrowings	$ 7,759,302	(7,766,921)	(7,766,921)	-	-	-	-
Notes and accounts payable (including related parties)	4,585,922	(4,585,922)	(4,585,922)	-	-	-	-
Long-term borrowings (including current portion)	1,030,876	(1,118,247)	(22,046)	(21,417)	(42,834)	(128,502)	(903,448)
Current and non-current lease liabilities	852,666	(925,731)	(104,669)	(87,191)	(102,577)	(218,545)	(412,749)
Corporate bonds	18,980,771	(19,470,000)	(40,300)	(67,900)	(108,200)	(19,253,600)	-
Convertible notes-equity portion	26,143,969	(27,565,891)	-	-	-	(27,565,891)	-
Dividends payable	3,751,986	(3,751,986)	(3,751,986)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	90,790	(90,790)	(45,790)	(45,000)	-	-	-
Payroll and bonus payable	3,512,267	(3,512,267)	(2,554,644)	(957,623)	-	-	-
Other accrued expenses (recorded under other current liabilities)	1,566,000	(1,566,000)	(1,566,000)	-	-	-	-
Derivative financial							
Forward exchange contracts:							
Outflows	195,064	(4,559,227)	(4,559,227)	-	-	-	-
Inflows	-	4,364,163	4,364,163	-	-	-	-
	$ 68,469,613	**(70,548,819)**	**(20,633,342)**	**(1,179,131)**	**(253,611)**	**(47,166,538)**	**(1,316,197)**

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more	Over 5 years
December 31, 2020							
Non-derivative financial liabilities							
short-term borrowings	$ 10,771,000	(10,781,301)	(10,280,497)	(500,804)	-	-	-
Notes and accounts payable (including related parties)	4,204,394	(4,204,394)	(4,204,394)	-	-	-	-
Long-term borrowings	1,080,816	(1,198,948)	(22,969)	(22,969)	(45,938)	(137,814)	(969,258)
Current and non-current lease liabilities	846,073	(911,801)	(76,536)	(68,052)	(120,194)	(237,241)	(409,778)
Dividends payable	3,751,986	(3,751,986)	(3,751,986)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	103,420	(103,420)	(103,420)	-	-	-	-
Payroll and bonus payable	3,183,647	(3,183,647)	(3,183,647)	-	-	-	-
Derivative financial liabilities							
Swap exchange contracts:							
Outflows	34,281	(2,311,480)	(2,311,480)	-	-	-	-
Inflows	-	2,277,199	2,277,199	-	-	-	-
Forward exchange contracts:							
Outflows	-	(6,241,053)	(6,241,053)	-	-	-	-
Inflows	40,684	6,281,737	6,281,737	-	-	-	-
	$ 24,016,301	**(24,129,094)**	**(21,617,046)**	**(591,825)**	**(166,132)**	**(375,055)**	**(1,379,036)**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2021		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 1,509,779	27.68	41,790,682
JPY	3,497,461	0.2405	841,139
EUR	62,927	31.32	1,970,874
CNY	668,802	4.344	2,905,276

	December 31, 2021		
	Foreign currency	**Exchange rate**	**NTD**
Non-monetary items			
USD	22,650	27.680	Note
JPY	208,426	0.2405	Note
EUR	1,300	31.32	Note
Financial liabilities			
Monetary Items			
USD	460,615	27.68	12,749,823
JPY	23,122,720	0.2405	5,561,014
EUR	162,254	31.32	5,081,795
CNY	65,388	4.344	284,045
Non-monetary items			
USD	8,830	27.68	Note
JPY	14,050,000	0.2405	Note
EUR	1,305	31.32	Note

	December 31, 2020		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 538,244	28.480	15,329,189
JPY	897,515	0.2763	247,983
EUR	44,556	35.020	1,560,351
Non-monetary items			
USD	19,900	28.480	Note
JPY	15,295,381	0.2763	Note
EUR	111	35.020	Note
Financial liabilities			
Monetary Items			
USD	333,232	28.480	9,490,447
JPY	25,397,758	0.2763	7,017,401
EUR	17,754	35.020	621,754
Non-monetary items			
USD	86,760	28.480	Note
JPY	5,000,000	0.2763	Note

Note: The fair value of forward exchange contracts was measured at the reporting date. For related information, please refer to note 6(2).

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long and short-term loans, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of December 31, 2021 and 2020, would have increased or decreased the net income before income tax by $238,313 thousand and $79 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by an aggregate amount. For the years of 2021 and 2020, foreign exchange losses (including realized and unrealized portions) amounted to $584,952 thousand and $(500,736) thousand, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's net income before income tax would have increased or decreased by $25,729 thousand and $20,670 thousand, for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

E. Other price risk

For the years ended December 31, 2021 and 2020, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2021		2020	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Net income**	**Other comprehensive income before tax**	**Net income**
Increasing 5%	$ 64,542	908,677	24,232	280,216
Decreasing 5%	(64,542)	(908,677)	(24,232)	(280,216)

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through gain or loss-current					
Forward exchange contract	$ **3,567**	**-**	**3,567**	**-**	**3,567**
Financial assets at fair value through profit or loss－non-current					
Private equity	$ 195,163	-	-	195,163	195,163
Overseas securities	18,173,549	18,173,549	-	-	18,173,549
	$ **18,368,712**	**18,173,549**	**-**	**195,163**	**18,368,712**
Financial assets measured at amortized cost					
Stocks listed on domestic markets	$ 224,763	224,763	-	-	224,763
Overseas securities	664,320	664,320	-	-	664,320
Non-public offer equity instrument measured at fair value	401,748	-	-	401,748	401,748
Subtotal	$ **1,290,831**	**889,083**	**-**	**401,748**	**1,290,831**
Financial liabilities measured at fair value through profit or loss					
Cash and cash equivalents	$ 67,117,906	-	-	-	-
Notes and accounts receivable (including related parties)	9,889,160	-	-	-	-
Other financial assets－current and non-current	5,148,081	-	-	-	-
Corporate bonds－current	331,609	-	331,609	-	331,609
Subtotal	$ **82,486,756**	**-**	**331,609**	**-**	**331,609**
Financial liabilities measured at amortized cost:					
Forward exchange contract	$ 198,631	-	198,631	-	198,631
Convertible corporate bonds embedded in derivative instruments	178,637	-	178,637	-	178,637
	$ **377,268**	**-**	**377,268**	**-**	**377,268**

	December 31, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost:					
Short-term borrowings	7,759,302	-	-	-	-
Notes and accounts receivable (including related parties)	4,585,922	-	-	-	-
Long-term borrowings (including current portion)	1,030,876	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	90,790	-	-	-	-
Convertible notes-equity portion	26,143,969	-	-	-	-
Corporate bonds	18,980,771	-	-	-	-
Current and non-current lease liabilities	852,666	-	-	-	-
Other accrued expenses (recorded under other current liabilities)	1,566,000	-	-	-	-
Subtotal	**$ 61,010,296**	**-**	**-**	**-**	**-**

	December 31, 2020				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through gain or loss-current					
Forward exchange contract	$ 52,356	-	52,356	-	52,356
Overseas securities held	5,604,312	5,604,312	-	-	5,604,312
Subtotal	**$ 5,656,668**	**5,604,312**	**52,356**	**-**	**5,656,668**
Financial assets at fair value through profit or loss－non-current	**$ 117,204**	**-**	**-**	**117,204**	**117,204**
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 101,475	101,475	-	-	101,475
Non-public offer equity instrument measured at fair value	383,155	-	-	383,155	383,155
	$ 484,630	**101,475**	**-**	**383,155**	**484,630**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 23,812,590	-	-	-	-
Notes and accounts receivable (including related parties)	8,407,409	-	-	-	-
Other financial assets－current and non-current	5,894,642	-	-	-	-
Corporate bonds－current	277,895	-	277,895	-	277,895
Subtotal	**$ 38,392,536**	**-**	**277,895**	**-**	**277,895**
Financial liabilities measured at fair value through profit or loss					
Forward exchange contracts	$ 11,672	-	11,672	-	11,672
Swap exchange contracts	34,281	-	34,281	-	34,281
Subtotal	**$ 45,953**	**-**	**45,953**	**-**	**45,953**

	December 31, 2020				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 10,771,000	-	-	-	-
Notes and accounts payable (including related parties)	4,204,394	-	-	-	-
Long-term borrowings (including current portion)	1,080,816	-	-	-	-
Current and non-current lease liabilities	846,073	-	-	-	-
Subtotal	$ 16,902,283	-	-	-	-

(b) Valuation technique for financial instruments that are not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

(c) Valuation technique of fair value of financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

If the financial instruments held by the Group belong to an active market, the fair value is booked as follows by category and attribute:

For financial assets and financial liabilities of the listed company's stocks, notes of exchange and corporate bonds, which are subject to standard terms and conditions and are traded in the active market, the fair value is determined by reference to market quotations.

In addition to the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of evaluation technologies or reference to counterparty quotes. The fair value obtained through the evaluation technology can be based on the current fair value of other financial instruments with similar characteristics and characteristics, the discounted cash flow method or other evaluation technology, including the calculation with the model and the market information available on the consolidated balance sheet date (such as the reference yield curve of Taiwan Stock Exchange, Reuters commercial promissory interest rate average offer).

If the financial instruments held by the Group are in the non-active market, the fair value is booked as follows by category and attribute:

Equity instruments without public quotation: Estimates of fair value using the market comparable company method, the main assumptions are based on the earnings multiplier derived from the investee' s net worth per share and the EV/EBIT comparable listed companies' quotes. The estimate has adjusted the depreciation impact of the lack of market liquidity of the equity securities

ii. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants, such as the discounted cash flow or option pricing models. The fair value of forward currency is usually determined based on the forward currency exchange rate.

(d) Reconciliation of Level 3 fair value

The Group's financial instruments which belong to Level 3 fair value were financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The movements were as follows:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2021	$ 117,204	383,155
Addition	27,820	83,122
Recognized in profit or loss	50,139	-
Recognized in other comprehensive income	-	(13,632)
Refund	-	(42,267)
Effect of changes in exchange rate	-	(8,630)
Balance at December 31, 2021	**$ 195,163**	**401,748**

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2020	$	95,163	332,185
Addition		29,064	-
Recognized in profit or loss		(7,023)	-
Recognized in other comprehensive income		-	82,139
Refund		-	(12,561)
Effect of changes in exchange rate		-	(18,608)
Balance at December 31, 2020	$	**117,204**	**383,155**

(e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income – equity investments.

Most of the fair value measurements categorized within Level 3 use a single significant unobservable input. Equity investments without an active market contain multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	· Equity value multiplier (as of December 31, 2021 and December 31, 2020 3.22%~ 3.28% and 2.27%~18.90%, respectively) · Market liquidity discount rate (December 31, 2021 and December 31, 2020 were 28% and 28%, respectively)	· The higher the multiplier, the higher the fair value · The higher the lack of market liquidity, the lower the fair value

(d) The fair value of the Group's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Group did not disclose quantified information and sensitivity analysis on significant unobservable inputs because the unobservable inputs used in fair value measurement were not established by the Group.

(e) As of December 31, 2021 and 2020, there has been no transfer at fair value level.

(29) Financial risk management

A. Overview

The Group has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group’s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring company’s risk management policies. Internal auditors assist the Board of Directors to monitor and review the risk management control and internal procedures regularly and report them to the Board of Directors.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group’s audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Group does not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Group's policy, the Group can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Group, or the companies directly or indirectly owned more than 50% shares with voting right of the Group. As of December 31, 2021 and 2020 the Group did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Group has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2021 and 2020, the Group's unused credit lines were $35,207,145 thousand and $22,021,439 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (NTD), but also include the Chinese Yen (CNY), US Dollar (USD), Japanese Yen (JPY) and Euro (EUR). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily NTD, but also include USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

The Group holds variable-rate assets and liabilities, which cause the exposure to interest rate risk in cash flows.

(c) Price floating risk on equity instruments

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Information on the risk was disclosed in note 6(28).

(30) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Group's debt to equity ratios at the end of the reporting periods were as follows:

		December 31, 2021	**December 31, 2020**
Total liabilities	$	115,088,347	60,283,299
Less: cash and cash equivalent		(67,117,906)	(23,812,590)
Net debts	**$**	**47,970,441**	**36,470,709**
Total equity	**$**	**52,162,938**	**49,669,482**
Debt-to-equity ratio		**91.96 %**	**73.43 %**

The increase in financial assets and the decrease in other current liabilities resulted in the debt-to-equity ratio to increase as at December 31, 2021.

(31) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2021 and 2020 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(11).

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Foreign exchange movement and others	December 31, 2021
Short-term borrowings	$ 10,771,000	(3,011,698)	-	7,759,302
Long-term borrowings	1,080,816	(170,495)	120,555	1,030,876
Lease liabilities	846,073	(203,538)	210,131	852,666
Bonds payable	-	46,812,845	(1,688,105)	45,124,740
Guarantee deposit received	35,809	(34,658)	246	1,397
Total liabilities from financing activities	**$ 12,733,698**	**43,392,456**	**(1,357,173)**	**54,768,981**

	January 1, 2020	Cash flows	Foreign exchange movement and others	December 31, 2020
Short-term borrowings	$ 11,465,075	676,375	(1,370,450)	10,771,000
Long-term borrowings	-	(237,741)	1,318,557	1,080,816
Lease liabilities	931,397	(198,464)	113,140	846,073
Guarantee deposit received	193,495	(156,243)	(1,443)	35,809
Total liabilities from financing activities	**$ 12,589,967**	**83,927**	**59,804**	**12,733,698**

7. Related-party transactions:

(1) Names and relationships of related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Names of related parties	Relationship with the Group
United Renewable Energy Co., Ltd ("URE")	Main management of SAS. (Note 1)
Actron Technology	SAS's management is the director of the company/ An associate of the Group
Accu Solar Corporation	An associate of the Group
Taiwan Speciality Chemicals(TSCS)	An associate of the Group (Note 3)
Crystalwise Technology Inc.	An associate of the Group
ADVANCED WIRELESS SEMICONDUCTOR COMPANY	An associate of the Group
Cathay Sunrise Corporation (Cathy Sunrise)	An associate of the Group (Note 2)
Cathay Sunrise One Co., Ltd.	Subsidiary of associates (Note 2)

Names of related parties	Relationship with the Group
Cathay Sunrise Two Co., Ltd.	Subsidiary of associates (Note 2)
Cathay Sunrise Electric Power One Co., Ltd.	Subsidiary of associates (Note 2)
Cathay Sunrise Electric Power Two Co., Ltd.	Subsidiary of associates (Note 2)
Sunrise PV One Co., Ltd.	Subsidiary of associates (Note 2)
Sunrise PV Five Co., Ltd.	Subsidiary of associates (Note 2)

Note 1: URE has ceased to be a related party after the re-election of the Board of Directors' members in June 2020.

Note 2: Due to the transfer and disposal of Cathay Sunrise Corporation on October 23, 2020, the entity ceased to be a related party.

Note 3: TSCS became a subsidiary of the Group after August 25, 2021.

(2) Significant transactions with related parties

A. Sales

The amounts of significant sales transactions and engineering contract revenue between the Group and related parties were as follows:

	2021	2020
Associates	$ 354,704	594,004
Other related parties	-	74,920
	$ 354,704	**668,924**

The sales price for sales to the related parties was determined by market price and adjusted according to the sales area and sales volume.

As of December 31, 2021 and 2020, the credit terms for third parties were 0 to 120 days after month-end and 0 to 60 days, respectively. While those for related parties were receipt in advance to 30 days after month-end.

B. Purchase and process outsourcing

The amounts of purchases and process outsourcing by the Group from related parties were as follows:

	2021	2020
Associates	$ 157	34,742
Other related parties	-	2,309
	$ 157	**37,051**

The prices of purchases and process outsourcing were determined by market rates.

As of December 31, 2021 and 2020, the payment terms to third parties were 0 to 120 days after month-end. In contrast, those to related parties were prepayment to 30 days after month-end.

C. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	December 31, 2021	December 31, 2020
Receivables from related parties	Associate	$ 65,929	72,414

D. Payables to related parties

The payables to related parties were as follows:

Items	Categories	December 31, 2021	December 31, 2020
Receivables from related parties	Associate	$ -	273

E. Transactions of property, plant and equipment

The disposals of property, plant and equipment to related parties were summarized as follows:

	2021		2020	
	Disposal price	Receivable from related parties	Disposal price	Receivable from related parties
Associates	$ -	-	3,750	-

For the years ended December 31, 2021 and 2020, the gain on disposal of property, plant and equipment amounted to $0 thousand and $3,750 thousand, respectively.

Purchase amounts of property, plant and equipment from related parties were summarized as follows:

	2021		2020	
	Amount	Payable to related parties	Amount	Payable to related parties
Associates	$ 85,542	10,989	915,398	21,503

F. Corporate bonds

In October 2021, the Group purchased the one-year private issued corporate bonds of Crystalwise Technology, for $330,000 thousand. The interest rate and the coupon rate were both 2.00%.

As of December 31, 2021 and 2020, the interest income amounted to $5,859 thousand and $9,450 thousand, respectively. As of December 31, 2021 and 2020, the accumulated investment cost and interests receivable amounted to $331,609 thousand and $277,895 thousand, respectively, and were recorded in financial assets measured at amortized cost-current.

G. Lease

The details of the lease rental contract between the Group and its related parties were as follows:

	2021	2020
Associates	$ 29,829	15,004

The Group leased its plant to associates. As of December 31, 2021 and 2020, the Group had lease receivables of $2,217 thousand and $0 thousand, respectively.

H. Payment and advances from other transactions

The receivables from related parties and payables to related parties generated from other material purchases on behalf of related parties, insurance and utilities payments and manpower support of related parties as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Associates (receivables)	$ 614	2,839
Associates (payables)	(183)	(76)
	$ 431	2,763

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	2021	2020
Short-term employee benefits	$ 515,624	544,524
Post-employment benefits	1,132	1,190
	$ 516,756	545,714

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2021	December 31, 2020
Property, plant and equipment	Long-term and short-term borrowings and credit lines	$ 3,438,440	3,093,503
Time deposits (recognized in other financial assets－current)	Guarantees of acceptances bill	-	17,423
Time deposits (recognized in other financial assets－non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,800	51,877
Time deposits (recognized in other financial assets－non-current))	Guarantee for gas consumption from CPC	2,000	2,000
Time deposits (recognized in other financial assets－non-current))	Guarantee payment for import VAT	5,000	5,000
Time deposits (recognized in other financial assets－non-current))	Guarantee for bank financing projects	138,400	142,400
Time deposits (recognized in other financial assets－non-current))	Court litigation	21,622	21,620
Time deposits (recognized in other financial assets－non-current))	Court litigation	12,560	-
		$ 3,669,822	**3,333,823**

9. Commitments and contingencies:

The significant contingent liabilities and unrecognized contractual commitments were as follows:

(1) Significant unrecognized contractual commitments

A. The purchase amounts for future delivery from suppliers under the existing agreements and a new agreement signed with Hemlock Semiconductor Pte. Ltd. (hereinafter referred to as Hemlock) in July, 2021, as of December 31, 2021 and 2020, amounted to $33,277,526 thousand and $25,071,063 thousand, respectively.

Discussion of the contract litigation between Hemlock and the Company, please refer to (2) contingent liabilities.

B. In response to the long-term purchase contract referred above, the Company has silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price from January 1, 2006 to December 31, 2019. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

The amount of delivery according to the existing contracts and current market conditions is as follows:

(Unit: currency in thousands)

	December 31, 2021	December 31, 2020
USD	$ 20,736	19,632
EUR	$ 15,048	28,394

C. As of December 31, 2021 and 2020, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to $9,953,297 thousand and $1,894,847 thousand, respectively.

D. As of December 31, 2021 and 2020, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were $11,341,360 thousand and $12,015,760 thousand, respectively.

E. As of December 31, 2021 and 2020, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to $60,000 thousand and $19,700 thousand, respectively.

F. As of December 31 2021 and 2020, the Group’s outstanding standby letters of credit that were issued amounted to $322,195 thousand and $294,084 thousand, respectively.

G. The Group had a long-term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of December 31, 2021 and 2020, a guarantee letter for the customer which the Group requested a bank to issue amounted to $905,394 thousand and $88,651 thousand, respectively.

H. GlobalWafers Co., Ltd. had made an application of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act to the tax authorities on February 21, 2020 and November 28, 2019. The application was approved and remitted for a total of $7,404,312 thousand. Up to 5% of the funds could be withdrawn and freely utilized. The remaining 95% can only be withdrawn for the investments approved by the Ministry of Economic Affairs, R.O.C. upon the elapse of five full years after the date of depositing the fund into a segregated foreign exchange deposit account. GlobalWafers Co., Ltd. had made an application to utilize the fund for capital investment. The fund is planned to utilize for factory extension, purchase of factory's facilities and other related capital expenditure. GlobalWafers Co., Ltd. has applied to the Ministry of Economic Affairs for substantial investments that were expected to be used for plant expansion and capital expenditure. As of December 31, 2021 and 2020, the balance of the account was $3,944,367 thousand and $5,491,302 thousand, respectively, and recognized as other current and non-current financial assets.

I. GlobalWafers Co., Ltd.'s board resolved to acquire Siltronic AG outstanding shares at EUR125 per share on December 9, 2020. The business combination with Siltronic AG would maximize the shareholders benefits. GlobalWafers Co., Ltd. and Siltronic AG signed a business combination agreement on December 10, 2020, wherein the Group issued a EUR50 million letter of payment guarantee through the bank.

   The Company also signed an irrevocable undertaking agreement with Wacker Chemie AG (Wacker Chemie). It was approved by German Federal Financial Supervisory Authority (BaFin) on December 21, 2020, to publish the offer document outlining terms of the voluntary public takeover offer for the acquisitions of all no par value registered shares in Siltronic AG.

   On January 22, 2021, the final offer price was adjusted to EUR145 per share, and the acceptance period of takeover offer was due on March 1, 2021. The Group signed the letter of payment guarantee with an amount up to EUR4.2 billion (equivalent to acquisition consideration) through the bank. As of January 31, 2022, the approval by the German government could not be obtained.

(2) Contingent liabilities

Hemlock filed summons and complaints against the Company which were delivered to the Company on May 12, 2015. Both parties had reached a settlement in July 2021 and then signed STIPULATION OF DISCONTINUANCE and SETTLEMENT AGREEMENT.

10. Losses due to major disasters: None.

11. Subsequent Events:

As of January 31, 2022, the closing date of the transaction, the Company failed to obtain the approval of the German Government, therefore, the Company's public offer for Siltronic and the related contract lapsed due to the failure to fulfill the conditions. The 13.67% shares of Siltronic acquired by the Company in the market may be freely disposed of, and there is no restriction on the holding period. The 56.60% of Siltronic shares that should have been sold during the public offer period remained with the original shareholders, and were converted to outstanding common shares on February 8, 2022, for which the Company has no obligation to perform. In addition, according to the business combination agreement between the Company and Siltronic, a termination fee of EUR 50 million was payable to Siltronic for failure to obtain the required approval from the competent authorities, which had been provisionally recorded in other current liabilities.

12. Other:

A summary of the employee benefits, depreciation, and amortization expenses, by function were as follows:

By function / By item	For the years ended December 31,					
	2021			2020		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	8,277,075	2,743,477	11,020,552	7,943,819	2,483,724	10,427,543
Labor and health insurance	1,091,817	246,235	1,338,052	1,120,879	209,763	1,330,642
Pension	580,497	104,433	684,930	316,562	80,886	397,448
Others employee benefits expenses	234,277	64,974	299,251	159,206	50,174	209,380
Depreciation	6,044,634	240,667	6,285,301	5,598,290	192,912	5,791,202
Amortization	221,671	3,758	225,429	347,433	9,062	356,495

13. Other disclosures:

(1) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

C. Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7.

I. Trading in derivative instruments: Please refer to note 6(2).

J. Business relationships and significant intercompany transactions: Please refer to Table 8.

(2) Information on investees: Please refer to Table 9.

The following is the information on investees for the year ended December 31, 2021 (excluding information on investees in Mainland China):

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 10(1).

B. Limitation on investment in Mainland China: Please refer to Table 10(2).

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the "Information on significant transactions".

(4) Major shareholders: None of the shareholders hold more than 5% of outstanding shares.

14. Segment information:

(1) Operating segments

The Group's operating segment information and reconciliations were as follows:

	2021			
	Semiconductor segment	**Solar energy segment**	**Reconciliation and elimination**	**Total**
Revenues:				
Revenue from external customers	$ 61,086,677	7,754,573	-	68,841,250
Intersegment revenues	16,476	2,090,890	(2,107,366)	-
Total revenue	**$ 61,103,153**	**9,845,463**	**(2,107,366)**	**68,841,250**
Interest expenses	**$ 307,680**	**24,645**	**-**	**332,325**
Depreciation and amortization	**$ 5,884,220**	**626,510**	**-**	**6,510,730**
Reportable segment profit or loss	**$ 11,798,220**	**599,916**	**-**	12,398,136
Share of profit (loss) of associates and joint ventures accounted for using equity method				217,254
				$ 12,615,390
Reportable segment assets	**$ 147,473,087**	**14,820,835**	**(2,002,169)**	160,291,753
Equity method investments				6,959,532
				$ 167,251,285
Reportable segment liabilities	**$ 104,859,367**	**12,231,149**	**(2,002,169)**	**115,088,347**

	2020			
	Semiconductor segment	**Solar energy segment**	**Reconciliation and elimination**	**Total**
Revenues:				
Revenue from external customers	$ 55,348,595	6,048,704	-	61,397,299
Intersegment revenues	5,954	1,109,135	(1,115,089)	-
Total revenue	**$ 55,354,549**	**7,157,839**	**(1,115,089)**	**61,397,299**
Interest expenses	**$ 73,656**	**32,283**	**-**	**105,939**
Depreciation and amortization	**$ 5,519,586**	**628,111**	**-**	**6,147,697**
Reportable segment profit or loss	**$ 13,066,106**	**(329,716)**	**-**	12,736,390
Share of profit (loss) of associates and joint ventures accounted for using equity method				(25,328)
				$ 12,711,062
Reportable segment assets	**$ 92,445,122**	**10,583,163**	**(234,315)**	102,793,970
Equity method investments				7,158,811
				$ 109,952,781
Reportable segment liabilities	**$ 50,660,189**	**9,857,425**	**(234,315)**	**60,283,299**

(2) Products and services information

For the Group's revenue from external customers and the relevant customer contract revenue, please refer to note 6(25).

(3) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Segment revenue is presented by the geographical location of customers and non-current assets are presented by the geographical location of the assets as follows:

A. For the Group's revenue from external customers and the relevant customer contract revenue, please refer to note 6(25).

B. Non-current assets:

Geographical information		December 31, 2021	December 31, 2020
Korea	$	13,283,323	15,931,775
Taiwan		12,989,776	8,808,936
United States		5,342,424	7,789,564
Japan		7,393,672	6,960,047
Italy		2,732,540	3,259,943
Philippines		1,741,168	1,905,971
Other countries		2,230,717	2,035,542
	$	**45,713,620**	**46,691,778**

(4) Major customers information

Sales to individual customers representing greater than 10% of net sales of the Group:

		2021	2020
Group C	**$**	**12,789,073**	**10,936,309**

Sino-American Silicon Products Inc. and Subsidiaries
Loans to other parties
For the year ended December 31, 2021

Table 1 (In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits (Note 2 and 3)	Maximum limit of fund financing (Note 2 and 3)
0	Sino-American Silicon Products Inc.	Sulu	Receivable from related parties	Yes	1,569,425	1,522,400	276,800	1%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	40,000	2.5%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	497,548	1%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	157,500	156,600	93,960	0.5%	2	-	Operating capital	-		-	11,414,833	11,414,833
1	SSTI	Sulu	Receivable from related parties	Yes	319,815	318,320	318,320	1%	2	-	Operating capital	-	-	-	1,738,462	1,738,462
1	SSTI	AMLED	Receivable from related parties	Yes	322,731	315,441	315,441	1%	2	-	Operating capital	-	-	-	1,738,462	1,738,462
2	Aleo Solar	Sino-American Silicon Products Inc.	Receivable from related parties	Yes	189,035	-	-	0.5%	2	-	Operating capital	-	-	-	413,454	413,454
3	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	176,917	171,616	171,616	1%	2	-	Operating capital	-	-	-	629,166	629,166
4	GlobalWafers	GW GmbH	Receivable from related parties	Yes	6,866,000	-	-	0.45%	2	-	Operating capital	-		-	18,252,601	18,252,601
4	GlobalWafers	Sunrise PV Electric Five	Receivable from related parties	Yes	10,000	10,000	10,000	1%	2	-	Operating capital	-		-	18,252,601	18,252,601
4	GlobalWafers	GWH	Receivable from related parties	Yes	500,000	500,000	-	1%	2	-	Operating capital	-		-	18,252,601	18,252,601
5	GWJ	MEMC Japan	Receivable from related parties	Yes	1,443,000	1,443,000	745,550	0.59%	2	-	Operating capital	-		-	16,451,608	16,451,608
5	GWJ	GlobalWafers	Receivable from related parties	Yes	5,667,660	3,607,500	2,886,000	0.56%	2	-	Operating capital	-	-	-	16,451,608	16,451,608

													Collateral			
Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Item	Value	Individual funding loan limits (Note 2 and 3)	Maximum limit of fund financing (Note 2 and 3)
5	GWJ	GlobalWafers	Receivable from related parties	Yes	5,106,080	-	-	0.55%	1	7,245,440	Business between two parties	-	-	-	7,245,440	16,451,608
6	MEMC SpA	GWBV	Receivable from related parties	Yes	1,888,150	1,722,600	1,722,600	0.45%	2	-	Operating capital	-	-	-	8,678,590	8,678,590
6	MEMC SpA	GWS	Receivable from related parties	Yes	2,680,860	2,442,960	1,908,946	3.44%	2	-	Operating capital	-	-	-	8,678,590	8,678,590
7	GWS	GWBV	Receivable from related parties	Yes	2,853,500	936,857	936,857	1.2%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
7	GWS	GW GmbH	Receivable from related parties	Yes	4,291,250	3,915,000	3,915,000	0.45%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
7	GWS	GlobalWafers	Receivable from related parties	Yes	12,270,050	11,902,400	7,287,384	0.8~1.2%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
8	GTI	MEMC LLC	Receivable from related parties	Yes	199,745	193,760	-	1.75%	2	-	Operating capital	-	-	-	9,776,708	9,776,708
8	GTI	GlobalWafers	Receivable from related parties	Yes	1,426,750	1,384,000	1,384,000	0.8%	2	-	Operating capital	-	-	-	9,776,708	9,776,708
9	GWBV	GW GmbH	Receivable from related parties	Yes	4,806,200	4,384,800	2,662,200	0.45%	2	-	Operating capital	-		-	40,277,615	40,277,615
10	GWH	Sunrise PV Four	Receivable from related parties	Yes	50,000	50,000	10,000	1%	2	-	Operating capital	-		-	100,161	100,161

Note 1: The nature of financing purposes:

(1) Represents entities with business transaction with the Group.

(2) Represents where an inter-company or inter firm short-term financing facility is necessary.

Note 2: (1) For the Company's loan of funds to those having business transactions, the individual loan is limited to the trade amount between the two parties in the most recent year; for the loan of funds to companies necessary for short-term financing, the individual loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the Company directly and indirectly holds 100% of the voting shares, the individual loan is limited to 40% of the net worth of the company that lends loan.

(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions with the Company, the amount of financing shall not exceed the amount of business transaction for the current year. For GlobalWafers directly and indirectly holds 100% of the voting shares of domestic companies engaged in capital lending, the individual loan is limited to 40% of the net worth of the Company that lends loan. For the purpose of lending operating capital, the amount of financing offered to a single company and to an investee whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the lender's net worth.

Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund-lendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the one-year limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.

(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions, The total amount available for financing purposes shall not exceed 40 percent of the lender's net worth. The total amount available for financing to investees whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the Company's net worth.

(3) For loan of funds of Aleo Solar, the total loan is limited to 100% of the net worth of the company that lends loan.

(4) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc. and Subsidiaries

Guarantees and endorsements for other parties

For the year ended December 31, 2021

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	Sino-American Silicon Products Inc.	Sulu	2	1,545,758 (Note 6)	1,312,610 (Note 5)	1,273,280 (Note 5)	970,876 (Note 5)	-	4.46 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino-American Silicon Products Inc.	Sunrise PV Four	2	28,537,082	170	170	170	-	-	28,537,082	Y	N	N
0	Sino-American Silicon Products Inc.	Sunrise PV Three	2	28,537,082	421	421	421	-	-	28,537,082	Y	N	N
0	Sino-American Silicon Products Inc.	SSH	2	28,537,082	1,300,000	1,300,000	-	-	4.56 %	28,537,082	Y	N	N
1	GlobalWafers	GW GmbH	2	136,894,509	112,244,400	91,485,720	6,577,200	-	200.49 %	136,894,509	N	N	N
1	GlobalWafers	GWH	2	136,894,509	1,300,000	1,300,000	-	-	2.85 %	136,894,509	N	N	N
1	GlobalWafers	Sunrise PV Four	2	136,894,509	100,000	100,000	-	-	0.22 %	136,894,509	N	N	N
1	GlobalWafers	Sunrise PV Electric Five	2	136,894,509	79,800	79,800	79,800	-	0.17 %	136,894,509	N	N	N
1	GlobalWafers	GWS	2	136,894,509	1,260,000	1,252,800	1,252,800	-	2.75 %	136,894,509	N	N	N
2	GTI	MEMC LLC	2	48,883,540	428,025	415,200	93,013	-	4.25 %	48,883,540	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:

(1) The issuer is coded "0".

(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

(1) Ordinary business relationship.

(2) Subsidiary which owned more than 50 percent by the guarantor.

(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.

(4) An investee owned more than 90 percent by the guarantor or its subsidiary.

(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements/guarantees provided by the endorsement guarantor company for a single enterprise is limited to 10% of the net worth of the company providing the endorsements/guarantees, but for the subsidiary company, limited to one time of the net worth of the company providing the endorsements/guarantees. The total amount of accumulated endorsements/guarantees shall not exceed the net worth of the Company. The total amount of the Company’s endorsements/guarantees and that for a single enterprise shall not exceed five times the net worth of the company providing endorsements/guarantees. The aforesaid net worth is based on the financial statements recently audited or reviewed by an accountant. For endorsements/guarantees due to business transactions, except subject to the provisions of the preceding item, the endorsement guarantee amount should be equal to the higher of the purchase or sales amount.

Note 4: The Company controls the financial and operating strategies of Sulu through effective agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu’s individual quota is USD 36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousand. The actual disbursement amount was reduced to USD 35,075 thousand.

Note 6: The endorsements/guarantees quota for Sulu is calculated based on the transaction amount at the time of endorsements/guarantees.

Sino-American Silicon Products Inc. and Subsidiaries

Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2021

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Highest Percentage of ownership (%) during the year	Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value		
Sino-American Silicon Products Inc.	Corporate bonds of Crystalwise Technology	Affiliated companies	Financial assets measured at amortized cost-current	330	331,609	-	331,609	-	
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other comprehensive income	30,410	-	2.14 %	-	2.14 %	
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	None	Financial assets at fair value through other comprehensive income	531	-	1.61 %	-	1.61 %	
Sino-American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	7,500	-	3.72 %	-	3.72 %	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	195,906	15.00 %	195,906	15.00 %	
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc.	None	Financial assets at fair value through profit or loss－non-current	1,000	-	-	-	-	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss－non-current	10	-	7.20 %	-	7.20 %	
SSH	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	540	39,690	0.06 %	39,690	0.06 %	
SSH	NextDrive Holdings Co., Ltd.	None	Financial assets at fair value through other comprehensive income	583	205,842	3.17 %	205,842	3.17 %	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	3,000	664,320	5.65 %	664,320	5.65 %	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss－non-current	-	195,163	3.85 %	195,163	3.85 %	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	650	2,879,639	2.17 %	2,879,639	2.17 %	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	2,851	12,631,231	9.50 %	12,631,231	9.50 %	
GWBV	Siltronic AG	None	Financial assets at fair value through other comprehensive income	600	2,662,679	2.00 %	2,662,679	2.00 %	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,518	185,073	0.32 %	185,073	0.32 %	

Sino-American Silicon Products Inc. and Subsidiaries

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
GWBV	Siltronic AG	Financial assets at fair value through profit of loss —non-current	-	None	600	2,688,372	-	-	-	-	-	-	600	2,662,679
GW GmbH	Siltronic AG	Financial assets at fair value through profit of loss —non-current	-	None	-	-	2,851	12,631,231	-	-	-	-	2,851	12,631,231
GlobalWafers	Siltronic AG	Financial assets at fair value through profit of loss —non-current	-	None	650	2,915,490	-	-	-	-	-	-	650	2,879,639
SSH	Transphorm Inc.	Financial assets at fair value through other comprehensive income	-	None	-	-	3,000	664,320	-	-	-	-	3,000	664,320

Note: Including gain or loss on evaluation.

Sino-American Silicon Products Inc. and Subsidiaries

Acquisition of individual real estate with amount exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 5 (In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
MEMC Korea	Property, plant and equipment	October 5, 2018	1,814,200	To the progress of the project	Sungdo Eng. Company	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None
MEMC Korea	Property, plant and equipment	September 2018	330,175	To the progress of the project	L.Keeley Construction	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None

Sino-American Silicon Products Inc. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 6 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Aleo Solar	Aleo Solar Italia	Indirectly held subsidiaries	Sale	(211,754)	(15) %	Net 60 days from the end of the month upon issuance of invoice	-	-	81,841	62 %	Note 1
Sino-American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(196,031)	(2) %	Net 30 days from the end of the month upon issuance of invoice	-	-	5,386	1 %	Note 1
Sino-American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	Sale	(2,090,890)	(12) %	Net 30 days from the end of the next month upon issuance of invoice	-	-	178,026	24 %	Note 1
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	2,073,802	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(359,256)	(4)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	2,061,886	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(379,953)	(4)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	6,697,405	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,872,552)	(21)%	Note 1
GlobalWafers	Taisil A/S	Indirectly held subsidiaries	Purchase	866,388	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(192,461)	(2)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	712,957	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(122,445)	(1)%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	6,583,737	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,209,905)	(13)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,762,010	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(463,477)	(5)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	811,078	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(155,577)	(2)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	3,606,789	6 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(450,697)	(5)%	Note 1
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	1,090,130	2 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(83,416)	(1)%	Note 1
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	2,619,443	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(735,503)	(8)%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	396,400	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(77,771)	(1)%	Note 1
Actron Technology Inc.	GlobalWafers	Subsidiary of associates	Purchase	289,612	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(65,911)	(1)%	
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	123,758	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(17,452)	- %	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	1,399,475	2 %	Net 60 days from the end of the month upon issuance of invoice	-		(219,690)	(2)	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(639,618)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	125,959	1 %	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,671,021	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(295,483)	(3)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(628,577)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	105,615	1 %	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	3,701,587	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(651,383)	(7)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(4,148,873)	(7) %	Net 60 days from the end of the month upon issuance of invoice	-	-	742,296	8 %	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,432,638	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(263,573)	(3)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	4,067,502	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(729,443)	(8)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,534,937)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	263,177	3 %	Note 1

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc. and Subsidiaries

Receivables from related parties with amounts exceeding the lower than NT$100 million or 20% of the capital stock

December 31, 2021

Table 7 (In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
Sino-American Silicon Products Inc.	Sulu	Indirectly held subsidiaries	277,369	Note 1	-	-	-	-
Sino-American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	178,026	11.54	-	-	178,026	-
Sino-American Silicon Products Inc.	SSH	Directly held subsidiaries	498,904	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	316,064	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	360,881	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	171,959	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	450,697	9.10	-	-	268,332	-
GlobalWafers	GWJ	Indirectly held subsidiaries	735,503	4.52	-	-	311,828	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,209,905	6.05	-	-	1,209,905	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	463,477	4.96	-	-	379,126	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	155,577	5.11	-	-	151,219	-
GTI	GlobalWafers	Indirectly held subsidiaries	359,256	6.50	-	-	359,256	-
SST	GlobalWafers	Indirectly held subsidiaries	379,953	5.95	-	-	360,797	-
GWJ	GlobalWafers	Indirectly held subsidiaries	1,872,552	3.59	-	-	1,220,081	-
GWS	GlobalWafers	Indirectly held subsidiaries	122,445	8.34	-	-	80,866	-
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	192,461	6.79	-	-	191,085	-
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	105,615	5.57	-	-	105,615	-
GWS	MEMC Japan	Indirectly held subsidiaries	263,177	5.92	-	-	263,177	-
GWS	MEMC SpA	Indirectly held subsidiaries	742,296	6.83	-	-	742,296	-
GWS	MEMC LLC	Indirectly held subsidiaries	125,959	5.66	-	-	125,959	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	295,483	5.70	-	-	295,483	-
MEMC SpA	GWS	Indirectly held subsidiaries	651,383	6.26	-	-	651,383	-
MEMC Korea	GWS	Indirectly held subsidiaries	263,573	5.99	-	-	134,282	-

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
MEMC Japan	GWS	Indirectly held subsidiaries	729,443	5.52	-	-	729,443	-
MEMC LLC	GWS	Indirectly held subsidiaries	219,690	9.71	-	-	219,690	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,886,000	Note 1	-	-	481,000	-
GTI	GlobalWafers	Indirectly held subsidiaries	1,384,000	Note 1	-	-	-	-
GWS	GlobalWafers	Indirectly held subsidiaries	7,287,384	Note 1	-	-	-	-

Note 1: Receivables from related party for financing purpose.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 3: The amount received in subsequent period as of February 25, 2022.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the year ended December 31, 2021

Table 8 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
0	Sino-American Silicon Products Inc.	Sino-American Silicon Products Inc.	1	Sale	2,090,890	Net 30 days from the end of the next month upon issuance of invoice	3.04%
0	Sino-American Silicon Products Inc.	GlobalWafers	1	Advance sales receipts	1,723,876	Net 30 days from the end of the next month upon issuance of invoice	1.03%
0	GlobalWafers	GTI	1	Purchase	2,073,802	Net 60 days from the end of the month upon issuance of invoice	3.01%
0	GlobalWafers	SST	1	Purchase	2,061,886	Net 60 days from the end of the month upon issuance of invoice	3.00%
0	GlobalWafers	GWJ	1	Purchase	6,697,405	Net 60 to 90 days from the end of the month upon issuance of invoice	9.73%
0	GlobalWafers	GWJ	1	Account payable	1,872,552	Net 60 to 90 days from the end of the month upon issuance of invoice	1.12%
0	GlobalWafers	Topsil A/S	1	Purchase	866,388	Net 30 to 60 days from the end of the month upon issuance invoice	1.26%
0	GlobalWafers	GTI	1	Sale	3,606,789	Net 45 days from the end of the month upon issuance of invoice	5.24%
0	GlobalWafers	SST	1	Sale	1,090,130	Net 30 days from the end of the month upon issuance of invoice	1.58%
0	GlobalWafers	GWJ	1	Sale	2,619,443	Net 60 to 90 days from the end of the month upon issuance of invoice	3.81%
0	GlobalWafers	GWS	1	Purchase	712,957	Net 60 days from the end of the month upon issuance of invoice	1.04%
0	GlobalWafers	MEMC Korea	1	Sale	1,762,010	Net 30 to 60 days from the end of the month upon issuance invoice	2.56%
0	GlobalWafers	GWS	1	Sale	6,583,737	Net 60 days from the end of the month upon issuance of invoice	9.56%
0	GlobalWafers	MEMC SpA	1	Sale	811,078	Net 60 days from the end of the month upon issuance of invoice	1.18%
1	GWS	MEMC LLC	3	Purchase	1,399,475	Net 60 days from the end of the month upon issuance of invoice	2.03%
1	GWS	MEMC SpA	3	Purchase	3,701,587	Net 60 days from the end of the month upon issuance of invoice	5.38%
1	GWS	MEMC SpA	3	Sale	4,148,873	Net 60 days from the end of the month upon issuance of invoice	6.03%
1	GWS	MEMC Korea	3	Purchase	1,432,638	Net 60 days from the end of the month upon issuance of invoice	2.08%
1	GWS	MEMC Japan	3	Sale	1,534,937	Net 60 days from the end of the month upon issuance of invoice	2.23%
1	GWS	MEMC Japan	3	Purchase	4,067,502	Net 60 days from the end of the month upon issuance of invoice	5.91%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
1	GWS	MEMC Sdn Bhd	3	Purchase	1,671,021	Net 60 days from the end of the month upon issuance of invoice	2.43%
1	GWS	GlobalWafers	3	Intercompany loan	7,287,384	-	4.36%
2	GWJ	GlobalWafers	3	Intercompany loan	2,886,000	-	1.73%

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:
1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:
(1) Parent company to its subsidiaries.
(2) Subsidiaries to the parent company.
(3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:
(1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
(2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

Note 4: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

Sino-American Silicon Products Inc. and Subsidiaries

Information on investees

For the year ended December 31, 2021

Table 9 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value				
Sino American Silicon Products Inc.	SSTI	British Virgin Islands	Investment and triangular trade center with subsidiaries in China	1,425,603 (USD45,255)	1,425,603 (USD45,255)	48,526	100.00 %	869,231	100.00 %	5,993	5,993	Subsidiary
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,955,952	8,955,952	222,727	51.17 %	23,349,338	51.17 %	11,870,037	6,074,632	Subsidiary
Sino American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,139 (EUR13,500)	558,139 (EUR13,500)	Note 1	100.00 %	413,454	100.00 %	2,040	2,040	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	314,583	100.00 %	(26,837)	(26,837)	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,092	100.00 %	718	718	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	560,293	100.00 %	3,705	3,705	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	-	2,000	100.00 %	19,985	100.00 %	(15)	(15)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	1,882,936	2,215,803	31,038	35.24 %	15,322	41.94 %	(311,131)	(125,910)	Associate Note 2
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	55,782	24.70 %	1,552	1,703	Associate
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	990,000	990,000	42,758	30.93 %	815,822	30.93 %	194,445	34,217	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Actron Technology Corporation	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	1,756,162	1,609,325	20,807	22.75 %	1,675,049	22.75 %	478,436	105,148	Associate Note 2
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	3,496,500	3,496,500	45,000	22.90 %	3,522,035	22.90 %	843,612	139,522	Associate Note 2
SAS Sunrise Inc.	SAS Sunrise Pte.Ltd.	Singapore	Investment activities	450,732 (USD13,000)	450,732 (USD13,000)	18,165	100.00 %	-	100.00 %	3,548	-	Subsidiary Note 4 and 7
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	98,147	40.00 %	(31,795)	-	Subsidiary Note 4
SAS Sunrise Pte.Ltd.	AMLED	Philippines	Investment activities	-	-	-	-	-	-	-	-	Subsidiary Note 3 and 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value				
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	118,589	45.00 %	(31,795)	-	Subsidiary Note 4
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	15,156	100.00 %	15,064	-	Subsidiary Note 4
GlobalWafers	GWI	Cayman	Investment activities	1,427 (USD48)	1,427 (USE48)	0.01	100.00 %	1,824	100.00 %	1	-	Subsidiary Note 4
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	756,809 (USD26,555)	756,809 (USD26,555)	25,000	100.00 %	2,258,662	100.00 %	459,294	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	16,436,066	100.00 %	1,795,646	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	17,378,877	17,378,877	541,674	100.00 %	38,958,825	100.00 %	5,462,710	-	Subsidiary Note 4
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,691,344	30.98 %	220,804	-	Associate Note 4
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,050,119	100.00 %	4,948	-	Subsidiary Note 4
GlobalWafers	Sunrise PV Five	Taiwan	Electricity activities	278,000	122,000	27,800	100.00 %	276,319	100.00 %	(1,527)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	250,403	100.00 %	469	-	Subsidiary Note 4
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,755,254	100.00 %	198,616	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	0.1	100.00 %	-	100.00 %	-	-	Subsidiary Note 4
GWafers Singapore	GWS	Singapore	Investment activities	14,671,320 (USD406,898)	14,671,320 (USD406,898)	299,445	100.00 %	45,502,198	100.00 %	5,466,903	-	Subsidiary Note 4
GWS	GWBV	Netherlands	Investment activities	11,213,730 (USD362,763)	11,213,730 (USD362,763)	0.1	100.00 %	40,277,615	100.00 %	3,809,075	-	Subsidiary Note 4
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	8,678,590	100.00 %	850,595	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	2,030	100.00 %	625	-	Subsidiary Note 4
MEMC SpA	MEMC GmbH	Germany	Trading	-	4,622 (USD141)	-	- %	-	100.00 %	-	-	Subsidiary Note 4
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers and sale	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	17,283,919	100.00 %	2,184,873	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value				
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	10,916,070	100.00 %	895,489	-	Subsidiary Note 4
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers and sale	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	3,348	100.00 %	(109)	-	Subsidiary Note 4
GWBV	Global Wafers GmbH	Germany	Trading	827 (USD27)	827 (USD27)	25	100.00 %	(161,505)	100.00 %	(171,165)	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers and sale	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	1,945,237	100.00 %	137,093	-	Subsidiary Note 4
GTI	MEMC LLC	United states	Manufacturing and trading of silicon wafers and sale	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	3,809,498	100.00 %	279,273	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,006,506	100.00 %	68,216	-	Subsidiary Note 4

Note:1 A limited company.
Note 2: The investment gain or loss recognition includes the investment cost and the amortization of the net equity acquired.
Note 3: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.
Note 4: The investor's profits and losses included the profits and losses of the investees; therefore, the investee's profits and losses need not be disclosed.
Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 6: In August 2021, the Group acquired control after obtaining more than half of the total number of directors in a reshuffle of the Board of Directors.
Note 7: Liquidation procedures of SAS Sunrise Pte. Ltd. were completed in 2021.

Sino-American Silicon Products Inc. and Subsidiaries

The names of investees in Mainland China, the main businesses and products and other information

For the year ended December 31, 2021

Table 10 (In Thousands of New Taiwan Dollars)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the year	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
SST	Processing and trading of ingots and wafers	769,177 (Note 5)	Note 1	713,300 (USD21,729)	-	-	713,300 (USD21,729)	459,207	100%	100%	459,207	2,198,254	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD21,729)	1,101,933 (USD35,000) (Note 3)	27,378,902 (Note 4)

Note 1: Investments through GSI.
Note 2: The basis for investment income (loss) recognition is from the audited financial statements.
Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.
Note 4: Pursuant to the 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the Group's net worth on December 31, 2021.
Note 5: Retained earnings transferred to capital was included.

Attachment 2

Stock Code:5483

Sino-American Silicon Products Inc.

Parent-Company-Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: No.8, Industrial East Road 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.

Telephone: (03)577-2233

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Sino-American Silicon Products Inc.:

Opinion

We have audited the parent-company-only financial statements of Sino-American Silicon Products Inc.("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the 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 a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its parent-company-only cash flows for the years then ended in accordance with 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 auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

Evaluation of investments accounted for using the equity method

For the accounting policies of the assessment of the investment under equity method, please refer to note 4(8) "Investment in associates" and note 4(9) "Investment in subsidiaries" of the parent-company-only financial statements; for the assessment of the investment under equity method, please refer to the parent-company-only financial statements of note 6(7) "Investments accounted for using equity method".

Description of key audit matters:

The Company holds a 51.17% of the shares in the equity investment subsidiary, GlobalWafers Co., Ltd. Given that most of the subsidiaries of GlobalWafers Co., Ltd. are mainly arising from business combinations, and GlobalWafers operates in an industry subjected to fluctuations in the market environment and other factors, the recognition of the revenue of subsidiaries and the assessment of goodwill impairment are important. It is considered to be one of the key areas in our audit.

How the matter was addressed in our audit:

The principal audit procedures performed for the recognition of revenue related to investees under equity method include understanding the accounting policies adopted for the revenue recognition; assessing the design of the internal control system of sales revenue; and testing selected samples of individual transactions to support the appropriateness of the recognition of revenue. The principal audit procedures for the goodwill impairment assessment include: assessing the cash generating unit that the management has identified to impair and signs of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amount of cash generating units; evaluating various assumptions used for future cash flow projections and calculating recoverable amounts, and performing the sensitivity analysis of the key assumptions.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in 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 Company's internal control.

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are An-Chih Cheng and Mei-Yu Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 17, 2022

Notes to Readers

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

The independent auditors’ report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and parent-company-only financial statements, the Chinese version shall prevail.

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

Sino-American Silicon Products Inc.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 804,741	2	781,889	2
1110	Financial assets at fair value through profit or loss－current (note 6(2))	117	-	-	-
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	331,609	1	277,895	1
1170	Notes and accounts receivable, net (notes 6(5) and (19))	570,238	2	264,031	1
1180	Accounts receivable due from related parties, net (note 7)	2,908,809	7	2,341,134	6
130X	Inventories (note 6(6))	723,885	2	456,448	1
1421	Prepayments to suppliers	159,683	-	46,206	-
1479	Other current assets	201,512	-	111,362	-
	Total current assets	5,700,594	14	4,278,965	11
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	-	-	6,095	-
1550	Investments accounted for using equity method (notes 6(7) and 7)	31,639,209	78	30,588,097	81
1600	Property, plant and equipment (note 6(8))	3,086,409	8	3,265,859	8
1755	Right-of-use assets (note 6(9))	150,628	-	180,240	-
1900	Other non-current assets (note 6(15))	133,221	-	85,130	-
1980	Other financial assets－non-current(note 8)	55,380	-	42,564	-
	Total non-current assets	35,064,847	86	34,167,985	89
	Total assets	$ 40,765,441	100	38,446,950	100

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(10))	$ 1,495,303	4	900,000	2
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	152	-	-	-
2130	Contract liabilities－current (notes 6(19) and 7)	1,827,878	4	131,785	-
2170	Notes and accounts payable	480,236	1	518,817	1
2180	Accounts payable to related parties (note 7)	5,464	-	195,297	1
2201	Payroll and bonus payable	1,050,570	3	739,758	2
2216	Dividends payable	2,051,776	5	2,051,776	6
2250	Provisions－current (note 6(13))	337,285	1	221,949	1
2399	Other current liabilities (notes 6(12), (19) and 7)	255,485	-	335,149	1
	Total current liabilities	7,504,149	18	5,094,531	14
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(19) and 7)	1,036,084	3	1,044,068	3
2550	Provisions－non-current (note 6(13))	3,562,855	9	3,992,895	10
2600	Other non-current liabilities (notes 6(12) and (14))	125,271	-	154,630	-
	Total non-current liabilities	4,724,210	12	5,191,593	13
	Total liabilities	12,228,359	30	10,286,124	27
	Equity (note 6(16)):				
3110	Ordinary shares	5,862,217	14	5,862,217	15
3200	Capital surplus	18,304,186	45	19,481,234	51
3300	Retained earnings	9,809,686	24	6,213,241	16
3400	Other equity interest	(5,439,007)	(13)	(3,395,866)	(9)
	Total equity	28,537,082	70	28,160,826	73
	Total liabilities and equity	$ 40,765,441	100	38,446,950	100

See accompanying notes to parent-company-only financial statements.

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

Sino-American Silicon Products Inc.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue** (notes 6(19) and 7)	$ 8,137,094	100	5,430,346	100
5000	**Operating costs** (notes 6(6), (8), (12), (14), (17), (20) and 7)	7,299,085	90	5,248,059	97
	Gross profit from operations	838,009	10	182,287	3
	Operating expenses (notes 6(12), (14), (17)), (20) and 7):				
6100	Selling expenses	68,293	1	72,192	1
6200	Administrative expenses	450,956	5	500,307	9
6300	Research and development expenses	70,624	1	101,957	2
6450	Expected credit losses (note 6(5))	-	-	881	-
	Total operating expenses	589,873	7	675,337	12
	Net operating income (loss)	248,136	3	(493,050)	(9)
	Non-operating income and expenses:				
7100	Interest income (notes 6(21) and 7)	12,892	-	18,982	-
7020	Other gains and losses (notes 6(22) and 7)	349,557	4	139,280	3
7050	Finance costs (notes 6(23) and 7)	(10,804)	-	(7,577)	-
7060	Share of profit of associates accounted for using equity method (note 6(7))	6,214,916	77	6,647,023	122
		6,566,561	81	6,797,708	125
	Income before income tax	6,814,697	84	6,304,658	116
7950	Less: Income tax expenses (benefits) (note 6(15))	3,647	-	(21,577)	-
	Net income	6,811,050	84	6,326,235	116
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(14))	1,151	-	(5,666)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(16))	(6,095)	-	-	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(16) and (24))	620,144	7	407,319	8
		615,200	7	401,653	8
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations (note 6(16))	(2,591,182)	(32)	(122,701)	(2)
8380	Share of other comprehensive income of associates accounted for using equity method related to components of other comprehensive income that may be reclassified to profit or loss (notes 6(16) and (24))	(2,098)	-	3,680	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(15))	(12,784)	-	(18,327)	-
		(2,580,496)	(32)	(100,694)	(2)
8300	**Other comprehensive income (after tax)**	(1,965,296)	(25)	300,959	6
	Total comprehensive income	$ **4,845,754**	**59**	**6,627,194**	**122**
	Earnings per share (NT dollars) (note 6(18))				
9750	Basic earnings per share	$ **11.62**		**10.82**	
9850	Diluted earnings per share	$ **11.56**		**10.71**	

See accompanying notes to parent-company-only financial statements.

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

Sino-American Silicon Products Inc.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings				Other equity interest					
	Ordinary shares	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total other equity interest	Total equity
Balance at January 1, 2020	$ 5,862,367	(150)	21,072,595	462,354	513,302	2,591,235	3,566,891	(2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)	26,670,241
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	259,122	-	(259,122)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	817,117	(817,117)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(3,566,749)	(3,566,749)	-	-	-	-	-	(3,566,749)
Cash dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608
Share retirement and awaiting retirement due to expiration of restricted stock awards	(150)	150	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	5,862,217	-	19,481,234	721,476	1,330,419	4,161,346	6,213,241	(2,325,038)	(1,070,453)	-	(375)	(3,395,866)	28,160,826
Net income for the year	-	-	-	-	-	6,811,050	6,811,050	-	-	-	-	-	6,811,050
Other comprehensive income for the year	-	-	-	-	-	72,164	72,164	(2,580,496)	543,036	-	-	(2,037,460)	(1,965,296)
Comprehensive income for the year	-	-	-	-	-	6,883,214	6,883,214	(2,580,496)	543,036	-	-	(2,037,460)	4,845,754
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	621,310	-	(621,310)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	23	(23)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(3,286,769)	(3,286,769)	-	-	-	-	-	(3,286,769)
Cash dividends from capital surplus	-	-	(1,989,226)	-	-	-	-	-	-	-	-	-	(1,989,226)
Changes in equity of associates accounted for using equity method	-	-	(60,171)	-	-	-	-	-	-	-	(5,681)	(5,681)	(65,852)
Conversion rights of subsidiary's convertible bonds	-	-	871,666	-	-	-	-	-	-	-	-	-	871,666
Due to donated assets received	-	-	683	-	-	-	-	-	-	-	-	-	683
Balance at December 31, 2021	**$ 5,862,217**	**-**	**18,304,186**	**1,342,786**	**1,330,442**	**7,136,458**	**9,809,686**	**(4,905,534)**	**(527,417)**	**-**	**(6,056)**	**(5,439,007)**	**28,537,082**

See accompanying notes to parent-company-only financial statements.

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

Sino-American Silicon Products Inc.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before income tax	$ 6,814,697	6,304,658
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	416,683	486,204
Expected credit losses	-	881
Net loss on financial assets or liabilities at fair value through profit or loss	35	-
Interest expense	10,804	7,577
Interest incomes	(12,892)	(18,982)
Dividend income	-	(2,210)
Share-based compensation cost	-	18,608
Shares of profit of subsidiaries and associates accounted for using equity method	(6,214,916)	(6,647,023)
Gains on disposal of property, plant and equipment	(9,353)	(10,242)
Gains on disposal of investments	(113,180)	(34,165)
Reversal gains of impairment losses recognized on financial assets	(3,454)	(22,519)
Reversal of write-down of inventory	(15,053)	(31,954)
Recognition of impairment losses on non-financial assets	8,908	444,064
Reversal of provisions	(314,804)	(630,055)
Total adjustments	(6,247,222)	(6,439,816)
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(299,081)	(1,822)
Inventories	(252,384)	(84,742)
Prepayments	(113,477)	(16,832)
Other operating assets	(90,031)	29,470
Decrease in financial liabilities held for trading	-	(68)
Notes and accounts payable (including related parties)	(40,537)	(6,906)
Contract liabilities	1,688,108	(128,350)
Other operating liabilities	138,444	346,282
Total changes in operating assets and liabilities	1,031,042	137,032
Total adjustments	(5,216,180)	(6,302,784)
Cash inflow generated from operations	1,598,517	1,874
Interest received	10,984	21,155
Dividends received	-	2,210
Interest paid	(8,838)	(4,791)
Income taxes paid	(1,335)	(5,222)
Net cash flows generated from operating activities	1,599,328	15,226

(Continued)

See accompanying notes to parent-company-only financial statements.

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

Sino-American Silicon Products Inc.

Statements of Cash Flows (Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(330,000)	-
Repayment at maturity of financial assets at amortized cost	280,000	250,000
Decrease (Increase) in intercompany loan	(573,508)	15,872
Acquisition of investments accounted for using equity method	(166,837)	(4,208,110)
Net cash flow from disposal of investments accounted for using equity method	128,629	516,948
Cash dividends from investment accounted for using equity method	4,198,336	5,649,312
Acquisition of property, plant and equipment	(212,997)	(967,687)
Proceeds from disposal of property, plant and equipment	20,297	17,239
Increase in other financial assets	(12,816)	(2,600)
Increase in prepayments for investments	(3,411)	-
Cash inflows from business combination	-	306,232
Net cash flows generated from in investing activities	3,327,693	1,577,206
Cash flows from financing activities:		
Increase in short-term loans	595,303	700,000
Increase (decrease) in payables to related parties	(192,610)	192,950
Increase in guarantee deposits	283	6
Repayment of the principal portion of lease liabilities	(31,833)	(30,051)
Cash dividends and capital surplus distribution	(5,275,995)	(2,931,109)
Donated assets received	683	873
Net cash flows used in financing activities	(4,904,169)	(2,067,331)
Net increase (decrease) in cash and cash equivalents	22,852	(474,899)
Cash and cash equivalents at beginning of period	781,889	1,256,788
Cash and cash equivalents at end of period	$ **804,741**	**781,889**

See accompanying notes to parent-company-only financial statements.

Sino-American Silicon Products Inc.

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2021 and 2020

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

1. Company history

Sino-American Silicon Products Inc. (hereinafter referred to as "the Company") was incorporated in accordance with the Company Act of the Republic of China in January 1981 at No. 8, Industrial East Road 2, Science Based Industrial Park, Hsinchu, Taiwan (R.O.C.). for the R&D, design, production and sale of semi-conductor silicon materials and components, rheostats, optical and communications wafer materials; and also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company's stocks have been traded publicly at the Taipei Exchange (TPEx) since March 2001.

For the purpose of reorganization and professional division of work and enhancing competitiveness and business performance, a resolution was reached at the shareholders' meeting on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations), by the way of incorporation and demerger, transferred to the Company's 100% owned subsidiaries, GlobalWafers Co., Ltd. (hereinafter referred to as "GlobalWafers") and Sino Sapphire CO., LTD (hereinafter referred to as "Sino Sapphire") with the base date of demerger scheduled on October 1, 2011. The Company based on the net book value of the semi-conductor business shall pay a price of NT$ 38.5 per share for acquiring 180,000 thousand shares at NT$ 10 par value of GlobalWafers; also, based on the sapphire business net assets shall pay a price of NT$ 40 per share for acquiring 40,000 thousand shares at NT$ 10 par value of Sino Sapphire.

GlobalWafers's common shares have been listed on Taipei Exchange ("TPEx") since September 25, 2015, and were delisted from the Emerging Market at the same date.

2. Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 17, 2022.

3. New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

4. Summary of significant accounting policies:

The significant accounting policies presented in the parent-company-only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of compliance

The parent-company-only financial statements is prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

(a) Financial instruments measured at fair value through profit or loss are measured at fair value;

(b) Financial assets at fair value through other comprehensive income (loss) are measured at fair value;

(c) The defined benefit liability recognized is the net of pension assets less the present value of defined benefit obligation and the limit of recognized assets as discussed in note 4 (16).

B. Functional and presentation currency

The Company’s functional currency is the currency of the main economic environment in which it operates. This parent-company-only financial statements is presented in the Company’ s functional currency, New Taiwan Dollar. All financial information presented in NT dollars is expressed in NT$ thousand.

(3) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an equity investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash and cash in bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(6) Financial instruments

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) – financial assets, or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVTOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purpose of assessment, the principal is the fair value of the financial assets at the time of initial recognition. The interest consists of the following considerations: the time value of money, the credit risk associated with the amount of the outstanding principal in a specified period, and other basic loan risks and costs, and margin of profit.

To assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount, the Company considers the terms of the financial instrument contract, including assessing whether the financial asset contains a contractual term that changes the time point or amount of the contractual cash flow, resulting not meeting this condition. At the time of evaluation, the Company consider:

- Any contingency that would change the point or amount of the contractual cash flow;
- The terms that adjust the contractual coupon rate, including the characteristics of the variable interest rate;
- Early repayment and extension features; and
- The Company’s claim is limited to terms derived from the cash flow of a particular asset (e.g. non-recourse characteristics).

(e) Impairment of financial assets

The Company recognizes the allowance for the expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, refundable deposits and other financial assets, etc.) and contractual assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured by 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date；and

- The credit risk of other debt securities and bank deposits (i.e., The risk of default on the expected duration of the financial instruments) has not increased significantly since the initial recognition.

The allowance for receivables and contractual assets is measured at the amount of expected credit losses during the lifetime.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company historical experience and informed credit assessment as well as forward looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(e) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(f) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average-cost method and includes expenditure incurred in acquiring the inventories, production or conversion cost, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on operating capacity.

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

(8) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of the Company's interests in the associate that are not related to the Company.

When the Company's share of losses or exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Company has an obligation or has made payments on behalf of the investee.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Company' s ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(9) Investment in subsidiaries

The investees which are controlled by the Company are measured under equity method in preparing the parent-company-only financial statement. The profit, other comprehensive income and equity in the parent-company-only financial statement are equal to the profit, other comprehensive income and equity attributable to the shareholders of parent in the consolidated financial statement.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 2 to 50 years

(b) Machinery and equipment: 1 to 10 years

(c) Other equipment and leased assets: 2 to 25 years

Buildings constitute mainly buildings, mechanical and electrical power equipment, and related engineering, wastewater treatment and sewage system, etc. Each such part is depreciated based on its useful life of 2 to 50 years, 25 years, and 6 to 20 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Lessee

At inception of a contract, the Company assesses whether a 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.

A. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(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 under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including parking space and other equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract, which accounted as a single lease component.

(12) Intangible assets

A. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

C. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

D. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. And then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of or depreciation amortization, if no impairment loss had been recognized.

(14) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

(a) Sale of goods

The Company engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Company provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service. Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed. If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours in which the service is provided, the revenue is recognized by the amount in which the Company has the right to open an invoice. The Company will ask customers for a monthly payment and will receive the consideration after opening the invoice.

The Company recognizes the accounts receivable when the goods are delivered, because the Company has the right to collect the consideration unconditionally at that time.

(c) Power electric revenue

The Company recognized the power electric revenue based on the actual electric units and electric rate.

(d) Engineering contract

The Company is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Company recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been requested, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Company expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the onerous contract is recognized.

If the circumstances change, the estimates of revenue, cost and completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(16) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related services are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related services at the vesting date.

The non-vested conditions relating to the share-based payment incentives are reflected in the measurement of the fair value of the share-based payment and the difference between the expected and actual results is not subject to verification adjustment.

Grant date of a share-based payment award is the date which the Board of Directors authorized the price and number of a new award.

(18) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items related to business combinations, or items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for the following:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(19) Earnings per share

The Company discloses basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. The Company's potential diluted ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(20) Operating segment

The Company has the segment information disclosed in the consolidated financial statements; therefore, it will not be disclosed in the parent-company-only financial statements.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing the parent-company-only financial statements, management had made judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in the accounting estimates during the period and the impact of those changes in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

Judgment of whether the Company has substantial control over investees

The Company holds 30.93% of the voting shares of Taiwan Speciality Chemicals and is the single largest shareholder of Taiwan Speciality Chemicals. The Company used the equity method to account for the investee. The second largest shareholder of Taiwan Speciality Chemicals liquidated, and distributed Taiwan Speciality Chemicals shares in the third quarter of 2021, resulting in a change in the shareholder structure of Taiwan Speciality Chemicals. The Company obtained more than half of the Board seats in the third quarter of 2021 when the Board of Directors of Taiwan Speciality Chemicals was re-elected, so the Company obtained control over Taiwan Speciality Chemicals and began to apply related accounting policies of business combinations.

The Company holds 35.24% of the voting shares of Crystalwise Technology Inc., (Crystalwise) and the remaining specific shareholders still hold significant voting shares, and it is impossible to exclude the possibility of a joint exercise of rights. The Company and other shareholders' size and distribution of voting rights show that the Company has no controlling power and does not have over half of the board seats, potential voting rights or other contractual arrangements. The Company evaluated that relevant activities of Crystalwise are not determined based on the votes of the majority voting right holders. Rather, it is based on the majority of the members of Board of Directors. Therefore, the investors who have voting rights can not control the relevant activities of Crystalwise. The Company had received a variable return from the investee due to holding the ordinary share of Crystalwise. The source of return is dividends. The Company evaluated hat it does not have the ability to influence Crystalwise' s return due to the lack of the power to control it. The Company concluded that it has no substantive power to decide the relevant activities from the beginning. Therefore, the Company determined that it has significant influence but not control over Crystalwise.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

Impairment assessment of property, plant and equipment (including right-to-use assets)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Refer to note 6(8) for further description of the key assumptions used to determine the recoverable amount.

The Company strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Company recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(25) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

		December 31, 2021	December 31, 2020
Cash on hand	$	180	180
Demand deposits		804,561	525,389
Repurchase agreement		-	256,320
Cash and cash equivalents in the statement of cash flows	**$**	**804,741**	**781,889**

Please refer to note 6(25) for the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

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

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss-current:		
Forward exchange contract	**$ 117**	**-**
Financial liabilities at fair value through profit or loss-current:		
Forward exchange contract	**$ 152**	**-**

The Company uses derivative instruments to hedge certain currency risk arising from the Company's operating activities. The Company held the following derivative instruments not used for hedging and accounted them as financial liabilities designated as at fair value through profit or loss as follows:

	December 31, 2021			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts purchased	EUR	1,300	EUR to USD	January 26, 2022
Forward exchange contracts purchased	EUR	1,300	EUR to USD	January 6, 2022

For the disclosure of market risk, please refer to note 6(25).

The financial assets mentioned above were not pledged as collateral.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity instruments measured at fair value through other comprehensive income:		
Equity investment in domestic entities	$ -	6,095

The Company investments in these equity instruments are long-term strategic investments and are not held for trading purposes and have been designated to be measured at fair value through other comprehensive income.

For the disclosure of market risk, please refer to note 6(25).

The above financial assets are not pledged as collateral.

(4) Financial assets measured at cost－current

	December 31, 2021	December 31, 2020
Corporate bonds - Crystalwise	$ 331,609	277,895

The Company has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In October 2021, the Company purchased the private corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal amount of $330,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due in October 2022.

In January 2019, the Company purchased the private corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal amount of $250,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due in January 2020. In October 2016, the Company purchased the private corporate bonds of Crystalwise Technology Inc. for a five-year period at a principal amount of $280,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due in October 2021.

For the years ended December 31, 2021 and 2020, the Company has estimated the impairment reversal gains amounting to $3,454 thousand and $22,519 thousand, respectively.

For the disclosure of credit risk, please refer to note 6(25).

The above financial assets are not pledged as collateral.

(5) Notes and accounts receivable, net

	December 31, 2021	December 31, 2020
Notes receivable	$ 20,229	-
Accounts receivable	550,009	264,037
Less: Allowance for doubtful accounts	-	(6)
	$ 570,238	264,031

The Company applied the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The loss allowance provision of accounts receivable (including related parties) was determined as follows:

	December 31, 2021		
	Gross amount of accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 744,746	0%	-
1 to 30 days past due	10,392	0%	-
	$ 755,138		-

	December 31, 2020		
	Gross amount of accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 420,512	0%	-
1 to 30 days past due	46,299	0%~0.2%	-
More than 91 days past due	6	100%	6
	$ 466,817		6

The movement of the credit loss allowance for notes and accounts receivable (including related parties) was as follows:

	2021	2020
Balance on January 1	$ 6	33,788
Impairment losses recognized	-	881
Amounts written off	(6)	(34,663)
Balance on December 31	$ -	6

The Company's accounts receivables were not pledged as collateral.

(6) Inventories

		December 31, 2021	December 31, 2020
Finished goods and merchandises	$	123,464	103,917
Work in progress		78,336	35,034
Raw materials		522,085	317,497
	$	**723,885**	**456,448**

Components of operating costs were as follows:

		2021	2020
Cost of goods sold	$	7,421,530	5,223,618
Impairment loss of property, plant and equipment (note 6(8))		8,908	431,196
Reversal of inventory valuation loss		(15,053)	(31,954)
Unallocated fixed manufacturing expense		198,504	255,254
Reversal of provision (note 6(13))		(314,804)	(630,055)
	$	**7,299,085**	**5,248,059**

The Company's inventories mentioned above were not pledged as collateral.

(7) Investments accounted for using equity method

The Company's summary of the financial information for investments accounted for using equity method at the reporting date was as follows:

		December 31, 2021	December 31, 2020
Subsidiary	$	26,358,798	24,669,706
Associates		5,268,188	5,956,635
Unrealized gains (losses) between affiliates		12,223	(38,244)
	$	**31,639,209**	**30,588,097**

(a) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2021.

(b) Affiliated associates

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership interests and voting rights December 31, 2021	December 31, 2020
Actron Technology Corporation (Actron)	Mainly engages in the manufacturing of electronic component	Taiwan	22.75%	21.31%
Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	The main business is manufacturing of semiconductor special gas and chemical materials.	Taiwan	Note (f)	30.93%
Crystalwise Technology Inc. (Crystalwise Technology)	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	35.24%	41.93%
Accu Solar Corporation (Accu Solar)	The main business is providing solar modules.	Taiwan	24.70%	24.70%
Advanced Wireless Semiconductor Company (Advanced Wireless)	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	22.90%	22.90%

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	$ 5,268,188	5,956,635
Attributable to the Company:		
Profit (loss) from continuing operations	$ 148,858	(62,137)
Other comprehensive income	95,598	120,189
Comprehensive income (loss)	$ 244,456	58,052

(c) There was a short-form merger between the Company and its subsidiary, Sunrise PV World Co. (Sunrise PV World) on February 1, 2020. For related information of the subsidiary, please refer to the consolidated financial report for the year ended December 31, 2019.

Sunrise PV World is a 100% owned subsidiary of the Company. After the short-form merger, the Company is the surviving company. On the date of the merger, book value of Sunrise PV World is $278,004 thousand. The details of the identifiable assets acquired and liabilities assumed on the date were as follows:

Cash and cash equivalents	$	306,232
Current assets		118,456
Non-current assets		209,163
Current and non-current liabilities		(355,847)
	$	**278,004**

(d) The Company’s Broad of Directors resolved to dispose of the entire 30.93% ordinary shares of Cathay Sunrise to San Ching Engineering at $11.5 per share on May 7, 2020, and the Company lost significant influence since then. The disposal price was $517,500 thousand, and the gain was $34,165 thousand.

(e) The Company acquired 22.90% of the private placement of shares in Advance Wireless Semiconductor Company (Advanced Wireless) with cash consideration of $3,496,500 thousand on August 18, 2020. The Company had significant influence over Advanced Wireless.

(f) The Company had a total of 30.93% of the common shares of Taiwan Speciality Chemicals as of August 2021. Taiwan Speciality Chemicals' Board of Directors was fully re-elected in August 2021, and the Group obtained more than half of the directors' seats. Thus, the Company obtained the control over the investee and included it in the consolidated financial statements from the date of obtaining control. The remeasured gains amounting to $2,501 thousand were recognized as other gains and losses.

(g) The Company sold ordinary shares of Crystalwise Technology in the publicly traded market in 2021 amounting to $128,129 thousand. Gains on disposal of investments amounting to $110,679 thousand were recognized as other gains and losses. As of December 31, 2021, the accumulated shareholding was 35.24%.

(h) The Company purchased outstanding shares of Actron Technology Corporation in the publicly traded market in the years of 2021 and 2020 amounting to $146,837 thousand and $461,610 thousand, respectively. As of December 31, 2021, the accumulated shareholding is 22.75%.

(i) The Company invested $20,000 thousand in 2021 to establish Sustainable Energy Solution Co., Ltd. (Sustainable Energy Solution).

(j) For the years ended December 31, 2021 and 2020, the cash dividends from the investees were $4,198,336 thousand and $7,430,997 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

(k) Guarantee

The Company did not pledge any investments accounted for using the equity method as collateral.

(8) Property, plant and equipment

A. The movements of cost, depreciation and impairment of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2021	$ 405,890	2,714,495	3,444,581	1,409,237	37,356	8,011,559
Additions	-	850	43,859	34,641	173,445	252,795
Disposals	-	(65,815)	(1,240,750)	(96,241)	-	(1,402,806)
Reclassification	-	-	44,797	13,399	(93,197)	(35,001)
Transfer and others	-	-	(167)	-	-	(167)
Balance at December 31, 2021	$ 405,890	2,649,530	2,292,320	1,361,036	117,604	6,826,380
Balance at January 1, 2020	$ 405,890	1,844,911	4,236,361	1,557,556	16,343	8,061,061
From merger of subsidiary	-	-	-	2,167	-	2,167
Additions	-	875,263	18,272	18,460	53,466	965,461
Disposals	-	(5,679)	(826,335)	(146,292)	-	(978,306)
Reclassification	-	-	16,283	764	(17,047)	-
Transfer and others	-	-	-	(23,418)	(15,406)	(38,824)
Balance at December 31, 2020	$ 405,890	2,714,495	3,444,581	1,409,237	37,356	8,011,559
Depreciation and impairment loss:						
Balance at January 1, 2021	$ -	1,177,742	2,852,153	715,805	-	4,745,700
Depreciation for the year	-	108,318	181,356	96,693	-	386,367
Impairment loss	-	-	8,908	-	-	8,908
Disposals	-	(65,815)	(1,239,282)	(95,793)	-	(1,400,890)
Transfer and others	-	-	(114)	-	-	(114)
Balance at December 31, 2021	$ -	1,220,245	1,803,021	716,705	-	3,739,971
Balance at January 1, 2020	$ -	1,089,646	2,984,863	759,884	-	4,834,393
From merger of subsidiary	-	-	-	928	-	928
Depreciation for the year	-	93,775	269,885	93,614	-	457,274
Impairment loss	-	-	423,739	7,457	-	431,196
Disposals	-	(5,679)	(826,334)	(146,078)	-	(978,091)
Balance at December 31, 2020	$ -	1,177,742	2,852,153	715,805	-	4,745,700
Carrying amounts:						
Balance at December 31, 2021	$ 405,890	1,429,285	489,299	644,331	117,604	3,086,409
Balance at January 1, 2020	$ 405,890	755,265	1,251,498	797,672	16,343	3,226,668
Balance at December 31, 2020	$ 405,890	1,536,753	592,428	693,432	37,356	3,265,859

B. Impairment loss

The Company recognized an impairment loss of some machinery amounting to $8,908 thousand and $431,196 thousand for the years ended December 31, 2021 and 2020 respectively, where were recognized as cost of sales, due to changes in production technology.

C. Collateral

The property, plant and equipment mentioned above were not pledged as collateral.

(9) Right-of-use assets

The Company leases many assets including land, buildings and other equipment. The carrying amounts on right-of-use assets were presented below:

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2021	$ 84,257	142,153	4,743	231,153
Additions	-	-	704	704
Disposals	-	-	(1,200)	(1,200)
Balance at December 31, 2021	**$ 84,257**	**142,153**	**4,247**	**230,657**
Balance at January 1, 2020	$ 35,616	143,687	4,173	183,476
Additions	84,257	-	1,015	85,272
Disposals	(35,616)	(1,534)	(445)	(37,595)
Balance at December 31, 2020	**$ 84,257**	**142,153**	**4,743**	**231,153**
Accumulated depreciation:				
Balance at January 1, 2021	$ 4,589	43,740	2,584	50,913
Depreciation	6,723	21,870	1,723	30,316
Disposals	-	-	(1,200)	(1,200)
Balance at December 31, 2021	**$ 11,312**	**65,610**	**3,107**	**80,029**
Balance at January 1, 2020	$ 3,957	23,404	1,548	28,909
Depreciation	5,579	21,870	1,481	28,930
Disposals	(4,947)	(1,534)	(445)	(6,926)
Balance at December 31, 2020	**$ 4,589**	**43,740**	**2,584**	**50,913**
Carrying amount:				
Balance at December 31, 2021	**$ 72,945**	**76,543**	**1,140**	**150,628**
Balance at January 1, 2020	**$ 31,659**	**120,283**	**2,625**	**154,567**
Balance at December 31, 2020	**$ 79,668**	**98,413**	**2,159**	**180,240**

(10) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings	$ 1,480,000	900,000
Purchased borrowings	15,303	-
	$ 1,495,303	**900,000**
Unused credit lines	**$ 8,300,477**	**9,754,747**
Range of interest rates at the year end	**0.29%~0.54%**	**0.56%**

(11) Long-term borrowings

	December 31, 2021	December 31, 2020
Unused credit lines	$ -	300,000

(12) Lease liabilities

The carrying amounts of lease liabilities of the Company were as follows:

	December 31, 2021	December 31, 2020
Current (recognized under other current liabilities)	$ 28,937	29,530
Non-current (recognized under other non-current liabilities)	$ 123,854	152,184

For the maturity analysis, please refer to note 6(25) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 2,206	2,146
Variable lease payments not included in the measurement of lease liabilities	$ 294	274
Expenses relating to short-term leases	$ 1,086	1,066
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$ 1,720	1,821

The amounts recognized in the statement of cash flows were as follows:

	2021	2020
Total cash outflow for leases	$ 34,933	33,212

A. Land and Buildings lease

The Company leases land and buildings for its facility and office space. The leases of office space typically run for a period of 7 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Land leases' additional rent payments that are based on changes in local price indices and the public facilities construction costs re invested annually in each park will be adjusted after being assessed.

B. Other leases

The Company leases vehicles and equipment with lease terms of 2 to 3 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(13) Provision

The details of the movement in the Company's provisions were as follows:

	Onerous contracts	Others	Total
Balance of January 1, 2021	$ 4,214,844	-	4,214,844
Provisions made during the year	-	100	100
Provisions reversed during the year	(314,804)	-	(314,804)
Balance of December 31, 2021	**$ 3,900,040**	**100**	**3,900,140**
Current	$ 337,275	10	337,285
Non-current	3,562,765	90	3,562,855
Total amount	**$ 3,900,040**	**100**	**3,900,140**
Balance of January 1, 2020	$ 4,844,899	-	4,844,899
Reverse of provision	(630,055)	-	(630,055)
Balance of December 31, 2020	**$ 4,214,844**	**-**	**4,214,844**
Current	$ 221,949	-	221,949
Non-current	3,992,895	-	3,992,895
Total amount	**$ 4,214,844**	**-**	**4,214,844**

The Company entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Company agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Company according to the contract. Provisions for the onerous contracts were made based on contractual terms and reversed profit or loss according to performance of the contract, where were recognized as cost of sales. For the related agreement, please refer to note 9.

(14) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

	December 31, 2021	December 31, 2020
Total present value of obligations	$ (27,244)	(29,990)
Fair value of plan assets	25,827	27,470
Recognized liabilities for defined benefit obligations	**$ (1,417)**	**(2,520)**

The Company's defined benefit plans are appropriated to the labor pension reserve account at the Bank of Taiwan. The pension payment to each employee under the Labor Standards Act is calculated in accordance with the service points received for the years of service and the average salary six months prior to retirement.

(a) Plan assets composition

The pension fund accrued in accordance with Labor Standards Act is managed by the Labor Fund Application Bureau of the Ministry of Labor (the Labor Fund Bureau). In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the use of the fund, the minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The balance of the Company's labor retirement reserve account at Bank of Taiwan on the reporting date was $25,827 thousand. For information on the utilization of the labor pension fund assets, including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations were as follows:

		2021	2020
Defined benefit obligations at January 1	$	29,990	23,017
Current service costs and interest cost		448	405
Re-measurements for defined benefit obligations			
—Actuarial gains and losses arising from experience adjustments		(1,294)	5,791
—Actuarial gains and losses resulting from changes in demographic assumptions		821	24
—Actuarial gains and losses resulting from changes in financial assumptions		(334)	753
Plan assets paid		(2,387)	-
Defined benefit obligations at December 31	**$**	**27,244**	**29,990**

(c) Movements in fair value of defined benefit plan assets

The movements in fair value of the defined benefit plan assets were as follows:

		2021	2020
Fair value of plan assets at January 1	$	27,470	26,121
Interest income		139	197
Re-measurements for defined benefit obligations			
—Return on plan asset (excluding current interest)		344	902
Contributions made		261	250
Plan assets paid		(2,387)	-
Fair value of plan assets at December 31	**$**	**25,827**	**27,470**

(d) Change in the effect of the asset ceiling

As of December 31, 2021 and 2020, there was no effect of the asset ceiling.

(e) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2021 and 2020, were as follows:

	2021	2020
Current service costs	$ 298	232
Net interest of defined benefit obligation	11	(24)
	$ 309	**208**
Operating Costs	$ 171	112
Selling expenses	27	30
Administrative expenses	49	18
Research and development expenses	62	48
	$ 309	**208**

(f) Actuarial assumptions

The significant actuarial assumptions used for the present value of the defined benefit obligation by the Company at the end of the reporting date are as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.625%	0.500%
Future salary increase rate	2.000%	2.000%

The estimated amount of contribution to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $321 thousand.

The weighted average duration of the defined benefit plan is 9.9 years.

(g) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation as of December 31, 2021 and 2020.

	Impact on defined benefit obligations	
Actuarial assumptions	**Increased by 0.25%**	**Decreased by 0.25%**
December 31, 2021		
Discount rate	**$ (669)**	**690**
Future salary increase rate	**$ 669**	**(652)**
December 31, 2020		
Discount rate	**$ (753)**	**778**
Future salary increase rate	**$ 753**	**(732)**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2021 and 2020.

B. Defined contribution plans

The Company contributes at the rate of 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The pension costs incurred from contributions to the defined contribution plan were $20,711 thousand and $34,194 thousand for the years ended December 31, 2021 and 2020, respectively. Such contributions were made to the Bureau of the Labor Insurance, Ministry of Labor.

(15) Income tax

A. Income tax expense

The components of income tax expenses (benefit) in 2021 and 2020 were as follows:

	2021	2020
Current tax period	$ 542	1,125
Adjustment for prior period	-	3,510
	542	4,635
Deferred tax expense (benefit)		
Temporary difference	3,105	(26,212)
Income tax expense (benefit)	**$ 3,647**	**(21,577)**

The amounts of income tax (benefit) recognized in other comprehensive income in 2021 and 2020 were as follows:

	2021	2020
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 12,784**	**18,327**

Reconciliations of income tax and income before income tax for 2021 and 2020 were as follows:

	2021	2020
Income before income tax	$ 6,814,697	6,304,658
Income tax using the Company's domestic tax rate	1,362,939	1,260,932
Tax effect of permanent differences	(1,349,496)	(1,536,290)
Changes in unrecognized temporary differences and others	(9,796)	253,781
	$ 3,647	**(21,577)**

B. Deferred tax assets and liabilities

(a) The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2021 and 2020. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. The deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	$ 1,047,094	1,227,306
Carryforward of unused tax losses	723,032	723,032
	$ 1,770,126	**1,950,338**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2021, the information of the Company's unused tax losses for which no deferred tax assets were recognized is as follows:

Year of loss	Unused tax losses	Expiry date
2012 (examined and assessed)	$ 1,403,648	2022
2013 (examined and assessed)	9,728	2023
2017 (examined and assessed)	1,021,784	2027
2018 (examined and assessed)	1,180,000	2028
	$ 3,615,160	

(b) Recognized deferred tax assets and liabilities

Deferred tax assets:

	January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2020	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2021
Allowance for inventory valuation	$ 14,461	(6,355)	-	8,106	(3,010)	-	5,096
Others	55,874	(272)	18,327	73,929	(95)	12,784	86,618
	$ 70,335	(6,627)	18,327	82,035	(3,105)	12,784	91,714

Deferred tax liabilities:

	January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2020	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2021
Others	$ (32,839)	32,839	-	-	-	-	-

C. Assessment of tax filings

The Company' s income tax returns for the years through 2019 have been examined and approved by the R.O.C. income tax authorities.

(16) Capital and other equity

As of December 31, 2021 and 2020, the authorized common stock of the Company amounted to \$8,000,000 thousand, which was divided into 800,000 thousand shares, with a par value of \$10 per share, of which \$200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible corporate bonds. The issued and outstanding shares of common stock amounted to \$5,862,217 thousand.

The reconciliation of shares outstanding for the years ended December 31, 2021 and 2020 was as follows (in thousands of shares):

	Common stock	
	2021	**2020**
Opening balance on January 1	586,222	584,573
Restricted employee shares	-	1,649
Closing balance on December 31	**586,222**	**586,222**

A. Issuance of common stock

The Company increased capital in GDRs of $610,000 thousand, and issued 61,000 thousand shares of common stock on the Luxembourg on September 9, 2010. The price issued per share was US$2.9048. The total issuance amount is US$177,193 thousand. The cash increase was approved by the Financial Supervisory Commission No.0990041383. Letter on August 13, 2010. All shares issued were paid and registered on September 9, 2010. The total amount issued was US$177,193. The net amount issued was US$174,931 thousand after deducting the related agent cost US$2,262 thousand, was equivalent to $5,580,288 thousand on the day's closing exchange rates. The total premium amounting to $4,958,757 thousand was recognized on capital surplus after deducting the related issuance cost of $11,531 thousand.

B. Capital surplus

The balances of capital surplus were as follows:

	December 31, 2021	December 31, 2020
Additional paid in capital	$ 8,296,480	10,285,706
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	1,822,532	1,887,671
Capital surplus recognized under the equity method	7,543,801	6,667,167
Treasury stock transactions	33,314	33,314
Employee stock options	608,059	607,376
	$ 18,304,186	**19,481,234**

According to the R.O.C Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital reserve, by way of cash dividends, should be approved by the Board of Directors in a meeting attended by two-thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital reserve through issuance of new shares shall be resolved during the shareholders' meeting.

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of $1,989,226 thousand ($3.3933 per share) and $1,416,136 thousand ($2.4157 per share), respectively, were approved during the shareholders' meeting held on December 9, 2021 and March 19, 2020. Relevant information can be found on the Market Observation Post System website.

C. Legal reserve

- According to the R.O.C Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital surplus, by way of cash dividends, should be approved by the Board of Directors in a meeting attended by two thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital surplus through issuance of new shares shall be resolved during the shareholders' meeting.

D. Special reserve

When the Company adopted the International Financial Reporting Standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First time Adoption of the IFRSs" exemptions. Retained earnings was increased by $161,317 thousand due to the adjustment of accumulated translation adjustment under the shareholders' equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with rule by the FSC, a special reserve is appropriated from retained earnings based on the net increase of retained earnings arising from the first adoption of IFRSs. Under such regulation, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the abovementioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equity.

According to the rule by the FSC, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current year net income and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed. The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

E. Earnings distribution and dividend policy

On June 23, 2020, the amendment to the Company's Articles of Incorporation was approved during the shareholders' meeting. The proposal of surplus earning distribution or loss offsetting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the Board of Directors for approval.

Distribution of earnings, by way of cash, shall be approved in the Board of Directors meeting. The distribution of earnings through issuance of new shares shall be resolved in the stockholders' meeting.

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and subsequently any remaining profit together with any undistributed retained earnings shall be distributed, in form of cash dividends, according to the distribution plan approved by the Board of Directors with two-thirds of directors present and approved by one-half of the present directors and further submitted to the shareholders' meeting, in accordance with the R.O.C. Company Act Section 240(5). The distribution plan to issue new shares should be proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

After considering both the long-term development of the business and the goal of stable growth of earnings per share, the distribution of dividends to shareholders should not be less than 50% of the distributable earnings, which is calculated using the net income of the current year, minus, legal reserve and special reserve. The distribution of cash dividends should not be less than 50% of the total dividends.

On December 9, 2021, the Company's Board of Directors resolved to distribute the first half of 2021 earnings. The earnings were appropriated as follows:

	2021	
	Dividends per share (NT dollar)	**Amount**
Dividends distributed to ordinary shareholder:		
Appropriation of the first half of earnings	$ 0.1067	62,550

On May 6, 2021, the Board of Directors determined the amount of cash dividends for 2020. Moreover, other surplus distribution has met statutory resolution threshold with electronic voting on June 21, 2021, and the general meeting of shareholders was held on August 26,2021.

On December 10, 2020, the Company's Board of Directors resolved to appropriate the first half of 2020 earnings. On March 19, 2020, the appropriation of earnings in 2019 was resolved at the annual meeting of shareholders on June 24, 2020.

The earnings were appropriated as follows:

	2020		2019	
	Dividends per share (NT dollar)	**Amount**	**Dividends per share (NT dollar)**	**Amount**
Dividends distributed to ordinary shareholder:				
Appropriation of the first half of earnings	$ 3.5	2,051,776	-	-
Appropriation of the annual earnings	5.5	3,224,219	2.5843	1,514,973
Total	**$ 9.0**	**5,275,995**	**2.5843**	**1,514,973**

The above-mentioned information is available on the Market Observation Post System website.

F. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total
Balance at January 1, 2021	$ (2,325,038)	(1,070,453)	-	(375)	(3,395,866)
Exchange differences on translation of net assets of foreign operations	(2,578,398)	-	-	-	(2,578,398)
Share of exchange differences on associates accounted using equity method	(2,098)	-	-	-	(2,098)
Compensation cost of restricted stock awards of associates accounted using equity method	-	-	-	(5,681)	(5,681)
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(6,095)	-	-	(6,095)
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of subsidiaries accounted using equity method	-	451,435	-	-	451,435
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted using equity method	-	97,696	-	-	97,696
Balance at December 31, 2021	**$ (4,905,534)**	**(527,417)**	**-**	**(6,056)**	**(5,439,007)**

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total
Balance at January 1, 2020	$ (2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)
Exchange differences on translation of net assets of foreign operations	(104,374)	-	-	-	(104,374)
Share of exchange differences on associates accounted using equity method	3,680	-	-	-	3,680
Compensation cost of restricted stock awards of associates accounted using equity method	-	-	-	2,893	2,893
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of subsidiaries accounted using equity method	-	398,280	-	-	398,280
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted using equity method	-	116,509	-	-	116,509
Compensation cost of restricted stock awards	-	-	18,608	-	18,608
Balance at December 31, 2020	**$ (2,325,038)**	**(1,070,453)**	**-**	**(375)**	**(3,395,866)**

(17) Share-based payment

A. Restricted stock to employee

On June 27, 2017, the Company resolved through the shareholders' meeting to issue 6,000 thousand new restricted employee shares. The grant is limited to manager level (including) above supervisors and full-time employees with special contributions who have served for more than one year at the Company since the granting day. The Company has filed a declaration with the Securities and Futures Commission of FSC and all the shares were issued by the Board of Directors resolution on October 5, 2017. The fair value of the grant was $67.2.

The employees who have been allocated the above mentioned new restricted employee shares will be able to subscribe for the shares at $20 each. The vested condition is that after receiving the new restricted employee shares, they are still in service according to the following schedule, and their performance reaches A (including) above, then they can obtain the share percentage of the vested condition respectively:

(a) 1 year of service: 40%

(b) 2 year of service: 70%

(c) 3 year of service: 100%

After the employees subscribe for the new shares, they may not sell, pledge, transfer, donate, set or do other disposition of their shares until the vested conditions are fulfilled; new restricted employee shares are subject to the right to participate in the distribution of dividends, and the dividends they receive are not subject to the vested period; the proposal, speech, voting rights and other relevant shareholders' equity of the shareholders meeting of the Company before the vested conditions are the same as the other ordinary shares of the Company; after the issuance, the new restricted employee shares should be immediately delivered to the trust or custody and must not be returned to the trustee for any reason or manner until the vested conditions are fulfilled. The Company will repurchase the restricted stock from employees at the issue price when the vesting conditions cannot be met. The information of the Company's restricted shares were as follows:

Unit: Thousand shares

	2021	**2020**
Outstanding at January 1	-	1,649
Vested during the year	-	(1,649)
Outstanding at December 31	-	-

The compensation costs recognized by the Company in 2021 and 2020 were nil thousand and $18,608 thousand, respectively, where were recognized as operating costs and operating expenses.

(18) Earnings per Share

A. Basic earnings per share

	2021	**2020**
Net Income attributable to the owner of the Company	$ **6,811,050**	**6,326,235**
Weighted average number of ordinary shares outstanding during the year (in thousands of shares)	**586,222**	**584,916**
Basic earnings per share (NT dollars)	$ **11.62**	**10.82**

B. Diluted earnings per share

	2021	2020
Net Income attributable to the owner of the Company	$ 6,811,050	6,326,235
Weighted average number of ordinary shares outstanding during the year (in thousands of shares) (basic)	586,222	584,916
Effect of dilutive potential ordinary shares (in thousands of shares)	3,032	5,866
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	589,254	590,782
Diluted earnings per share (NT dollars)	$ 11.56	10.71

(19) Revenue from contracts with customers

A. Details of revenues

	2021	2020
Primary geographical markets:		
Taiwan	$ 4,917,659	3,019,548
America	1,900,989	1,423,332
Asia-other	825,170	466,275
Northeast Asia (Japan and Korea)	479,967	368,421
Europe	2,362	152,758
Other areas	10,947	12
	$ 8,137,094	5,430,346
Major product categories		
Solar cell	$ 2,485,299	1,937,190
Solar ingot	1,624,328	928,837
Solar module	57,772	19,446
Solar wafer	217,029	170,789
Others	3,752,666	2,374,084
	$ 8,137,094	5,430,346

B. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivable (including related parties)	$ 755,138	466,811	429,647
Contract liabilities	$ 2,863,962	1,175,853	1,204,195

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2021 and 2020, which was included in the contract liability balance at the beginning of the period, was $156,102 thousand and $548,504 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the solar products of sales contracts and project payment received in advance, in which revenue is recognized when products are delivered to customers.

(20) Remuneration to employees and directors

In accordance with the Articles of Incorporation of the Company if there is profit in the year, the Company shall accrue 3% - 15% of the profit as employee's remuneration. The Board of Directors decides to distribute it by stock or cash, and the object of distribution includes employees meeting certain conditions; and the Board of Directors decides to accrue up to 3% of the above profit as directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the Company has an accumulated loss, it should reserve amount to make up losses before distributing remuneration to the employees and directors in pursuant to the percentage mentioned in the preceding paragraph.

For the years ended December 31, 2021 and 2020, the Company accrued and recognized its employee remuneration amounting to $438,902 thousand and $506,993 thousand and directors' amounting to $45,000 thousand and $45,740 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The amounts as stated in the parent-company-only financial statements were not significantly different from those approved in the Board of Directors meetings. The information is available on the Market Observation Post System website.

(21) Interest income

	2021	2020
Interest income	$ 7,033	9,532
Interest income from financial assets measured at amortized cost	5,859	9,450
	$ 12,892	**18,982**

(22) Other gains and losses

		2021	2020
Foreign currency exchange losses	$	(30,825)	(57,758)
Dividend income		-	2,210
Reversal of impairment loss on financial assets measured at amortized cost		3,454	22,519
Gain on disposal of investees		113,180	34,165
Realized gains on financial assets (liabilities) measured at fair value through profit or loss		-	310
Gain on disposal of property, plant and equipment		9,353	10,242
Others		254,395	127,592
	$	**349,557**	**139,280**

(23) Financial costs

		2021	2020
Interest expense of borrowings	$	8,598	5,431
Interest expense of lease liability		2,206	2,146
	$	**10,804**	**7,577**

(24) Share of other comprehensive income of associates accounted for using equity method

		2021	2020
Exchange differences on translation of foreign operations	$	(2,098)	3,680
Unrealized gains on financial assets at fair value through other comprehensive income		97,696	116,509
	$	**95,598**	**120,189**

(25) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The main customers of the Company are from the solar industries. The Company generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Company is mainly influenced by the solar and silicon wafer industry. As of December 31, 2021 and 2020, 94% and 99% respectively, where were both of the Company’s accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Company routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risk of receivables and debt securities

For credit risk exposure information on notes and accounts receivables, please refer to note 6(5). Other financial assets measured at amortized cost include other receivables and investments and ordinary corporate bonds. The impairment loss of financial assets measured at amortized cost, please refer to note 6(4).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(6) regarding how the Company determines whether the financial instruments are considered to be low credit risk).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,495,303	(1,496,657)	(1,496,657)	-	-	-
Notes and accounts payable (including related parties)	485,700	(485,700)	(485,700)	-	-	-
Payroll and bonus payable	1,050,570	(1,050,570)	(1,050,570)	-	-	-
Dividends payable	2,051,776	(2,051,776)	(2,051,776)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	45,000	(45,000)	(45,000)	-	-	-
Current and non-current lease liabilities	152,791	(163,225)	(15,497)	(15,303)	(30,378)	(102,047)
Derivative financial instruments						
Forward exchange contracts:						
Outflows	(35)	(81,432)	(81,432)	-	-	-
Inflows	-	81,397	81,397	-	-	-
	$ 5,281,105	**(5,292,963)**	**(5,145,235)**	**(15,303)**	**(30,378)**	**(102,047)**

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more
December 31, 2020						
Non-derivative financial liabilities						
Short-term borrowings	$ 900,000	(900,612)	(900,612)	-	-	-
Notes and accounts payable (including related parties)	714,114	(714,114)	(714,114)	-	-	-
Payroll and bonus payable	739,758	(739,758)	(739,758)	-	-	-
Dividends payable	2,051,776	(2,051,776)	(2,051,776)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	45,740	(45,740)	(45,740)	-	-	-
Current and non-current lease liabilities	181,714	(194,343)	(15,867)	(15,867)	(30,562)	(132,047)
	$ 4,633,102	**(4,646,343)**	**(4,467,867)**	**(15,867)**	**(30,562)**	**(132,047)**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2021		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 65,551	27.680	1,814,452
JPY	8,497	0.2405	2,044
EUR	3,121	31.320	97,750
Non-monetary Items			
EUR	1,300	31.320	Note
Investment accounted for equity method			
USD	35,011	27.680	1,183,814
EUR	13,206	31.320	413,454

	December 31, 2021		
	Foreign currency	**Exchange rate**	**NTD**
Financial liabilities			
Monetary Items			
USD	11,920	27.680	329,946
JPY	3,883	0.2405	934
EUR	491	31.320	15,378
Non-monetary Items			
EUR	1,300	31.32	Note

	December 31, 2020		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 43,220	28.480	1,230,906
JPY	1,240	0.2763	343
EUR	4,231	35.020	148,170
Investment accounted for under equity method			
USD	45,517	28.480	1,350,092
EUR	19,280	35.020	460,160
Financial liabilities			
Monetary Items			
USD	15,836	28.480	451,009
JPY	4,547	0.2763	1,256
EUR	5,778	35.020	202,346

Note: The fair value of forward exchange contracts was measured at the reporting date. For related information, please refer to note 6(2).

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, and accounts payable that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY and EUR, as of December 31, 2021 and 2020, would have increased or decreased the net income before income tax by $15,680 thousand and $7,248 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

The exchange rate information and the exchange gain or loss (including realized and unrealized) of the Company's monetary items converted into functional currency (i.e. the Company's expression currency) were as follows:

	2021		2020	
	Foreign exchange gains (losses)	Average rate	Foreign exchange gains (losses)	Average rate
USD	$ (35,019)	27.998	(62,196)	29.533
EUR	4,175	33.114	4,468	33.738
JPY	68	0.2550	3	0.2769
CHF	(12)	30.64	8	33.22
RMB	(37)	4.340	(41)	4.281
	$ (30,825)		(57,758)	

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Company's financial assets and financial liabilities.

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with floating interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Company's net income before income tax would have decreased or increased by $1,727 thousand and increased or decreased by $937 thousand, for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's bank deposits and borrowings with variable rates.

E. Other price risk

For the years ended December 31, 2021 and 2020, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2021		2020	
Prices of securities on the reporting date	Other comprehensive income after tax	Net Income	Other comprehensive income after tax	Net Income
Increasing 5%	$ -	-	305	-
Decreasing 5%	-	-	(305)	-

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Forward exchange contracts	$ 117	-	117	-	117
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 804,741	-	-	-	-
Financial assets measured at amortized cost－current	331,609	-	331,609	-	331,609
Notes and accounts receivable (including related parties)	3,479,047	-	-	-	-
Other financial assets－non-current	55,380	-	-	-	-
Subtotal	$ 4,670,777	-	331,609	-	331,609
Financial liabilities at fair value through profit or loss					
Forward exchange contracts	$ 152	-	152	-	152
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 1,495,303	-	-	-	-
Accounts payable (including related parties)	485,700	-	-	-	-
Lease liabilities-current and non-current	152,791	-	-	-	-
Subtotal	$ 2,133,794	-	-	-	-

	December 31, 2020				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	**$ 6,095**	**-**	**-**	**6,095**	**6,095**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 781,889	-	-	-	-
Financial assets measured at amortized cost－current	277,895	-	277,895	-	277,895
Notes and accounts receivable (including related parties)	2,605,165	-	-	-	-
Other financial assets－current and non-current	42,564	-	-	-	-
Subtotal	**$ 3,707,513**	**-**	**277,895**	**-**	**277,895**
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 900,000	-	-	-	-
Notes and accounts payable (including related parties)	714,114	-	-	-	-
Lease liabilities-current and non-current	181,714	-	-	-	-
Subtotal	**$ 1,795,828**	**-**	**-**	**-**	**-**

(b) Valuation technique of fair value of financial instruments that are not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

(c) Valuation technique of fair value of financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

If the financial instruments held by the Company belong to an active market, the fair value is booked as follows by category and attribute:

For financial assets and financial liabilities of the listed company’s stocks, notes of exchange and corporate bonds, which are subject to standard terms and conditions and are traded in the active market, the fair value is determined by reference to market quotations.

In addition to the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of evaluation technologies or reference to counterparty quotes. The fair value obtained through the evaluation technology can be based on the current fair value of other financial instruments with similar characteristics and characteristics, the discounted cash flow method or other evaluation technologies, including the calculation with the model and the market information available on the balance sheet date (such as the reference yield curve of Taiwan Stock Exchange, Reuters commercial promissory interest rate average offer).

If the financial instruments held by the Company are in the non-active market, the fair value is booked as follows by category and attribute:

Equity instruments without public quotation: Estimates of fair value using the market comparable company method, the main assumptions are based on the earnings multiplier derived from the investee’s net worth per share and the EV/EBIT comparable listed companies’ quotes. The estimate has adjusted the depreciation impact of the lack of market liquidity of the equity securities.

ii. Derivative financial instruments

Measurement of the fair value of derivative instruments are based on the valuation techniques generally accepted by market participants, such as the discounted cash flow or option pricing models. The fair value of forward currency is usually determined based by the forward currency exchange rate.

(d) Reconciliation of Level 3 fair value

The Company's financial instruments which belong to Level 3 fair value were financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The movements were as follows:

	Financial assets measured at fair value through other comprehensive income
Balance at January 1, 2021	$ 6,095
Additions	-
Recognized in other comprehensive income	(6,095)
December 31, 2021	**$ -**
January 1, 2020	$ 6,095
Additions	-
Recognized in other comprehensive income	-
December 31, 2020	**$ 6,095**

(e) Quantitative information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income – equity investments.

Most of the fair value measurements categorized within Level 3 uses a single significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs were as follows:

Item	Evaluation technology	Significant unobservable input value	Relations between significant unobservable input value and fair value
Financial assets measured at fair value through other comprehensive income-equity instrument investment without active market	Comparable listed companies approach	· Equity value multiplier (December 31, 2021 and December 31, 2020 are 3.22~3.28 and 2.27~18.90) · Lack of market liquidity discount (December 31, 2021 and December 31, 2020 are 28% and 28%)	· The higher the multiplier, the higher the fair value · The higher the lack of market liquidity discount, the lower the fair value

(f) The fair value of the Company's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Company did not disclose quantified information and sensitivity analysis on significant unobservable inputs because the unobservable inputs used in fair value measurement were not established by the Company.

(g) As of December 31, 2021 and 2020, there has been no transfer at fair value level.

(26) Financial risk management

A. Overview

The financial instrument that the Company is using is exposed to the following risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring Company's risk management policies. Internal auditors assist the Board of Directors to monitor and review the risk management control and internal procedures regularly and report them to the Board of Directors.

The Company's risk management policy is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and the compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's operations. Also, develop a disciplined and constructive environmental control through training, management standards, and operating procedures in order to help all employees understand their roles and obligations.

The Company's audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Company do not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Company's policy, the Company can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Company, or the companies directly or indirectly owned more than 50% shares with voting right of the Company. As of December 31, 2021 and 2020 the Company did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2021 and 2020, the Company's unused credit lines were $8,300,477 thousand and $10,054,747 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Company, primarily the New Taiwan Dollar (NTD). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily NTD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

The Company holds assets and liabilities with floating interest rates, resulting in a cash flow interest rate risk exposure.

(c) Equity instrument

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Please refer to note 6(25) for the risk of change.

(27) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Company's debt to equity ratios at the end of the reporting periods were as follows:

		December 31, 2021	**December 31, 2020**
Total liabilities	$	12,228,359	10,286,124
Less: cash and cash equivalents		(804,741)	(781,889)
Net debts	**$**	**11,423,618**	**9,504,235**
Total equity	**$**	**28,537,082**	**28,160,826**
Debt-to-equity ratio		**40.03%**	**33.75%**

The increase in short-term borrowings and contract liabilities resulted in the debt-to-equity ratio to increase as at December 31, 2021.

(28) Cash flow information

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2021 and 2020 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(9).

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Others	December 31, 2021
Short-term borrowings	$ 900,000	595,303	-	1,495,303
Lease liabilities	181,714	(31,833)	2,910	152,791
Guarantee deposit received	768	283	-	1,051
Total liabilities from financing activities	**$ 1,082,482**	**563,753**	**2,910**	**1,649,145**

	January 1, 2020	Cash flows	Others	December 31, 2020
Short-term borrowings	$ 200,000	700,000	-	900,000
Lease liabilities	155,417	(30,051)	56,348	181,714
Guarantee deposit received	762	6	-	768
Total liabilities from financing activities	**$ 356,179**	**669,955**	**56,348**	**1,082,482**

7. Related-party transactions:

(1) Names and relationship with related parties

The subsidiaries and other parties involved in the transaction of the Company during the period cover in the parent-company-only financial statements were as follows:

Names of related parties	Relationship with the Company
Sino Silicon Technology Inc. (SSTI)	Subsidiary directly held by the Company
GlobalWafers	Subsidiary directly held by the Company
Aleo Solar GmbH (Aleo Solar)	Subsidiary directly held by the Company
Aleo Solar Distribuzione Italia S.r.l (Aleo Solar Italia)	Subsidiary indirectly owned by the Company
SAS Sunrise Inc.	Subsidiary directly held by the Company
SAS Sunrise Pte. Ltd.	Subsidiary indirectly owned by the Company (Note 9)
Sulu Electric Power and Light Inc. (Sulu)	Subsidiary indirectly owned by the Company (Note 1)
AMLED International Systems Inc. (AMLED)	Subsidiary indirectly owned by the Company (Note 2)

Names of related parties	Relationship with the Company
Taiwan Speciality Chemicals Corporation (TSCS)	Subsidiary directly hold by the Company (Note 8)
SAS Capital Co., Ltd. (SSH)	Subsidiary directly held by the Company (Note 4)
Sustainable Energy Solution Co., Ltd. (SES)	Subsidiary directly hold by the Company (Note 7)
Sunrise PV World Co. (Sunrise PV World)	Subsidiary directly held by the Company (Note 3(2))
Sunrise PV Electric Power Five (Sunrise PV Electric Five)	Subsidiary directly held by the Company (Note 3(3))
Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Subsidiary indirectly owned by the Company (Note 3(2))
Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Subsidiary indirectly owned by the Company (Note 3(3))
Global Semiconductor Inc. (GSI)	Subsidiary indirectly owned by the Company
GWafers Singapore Pte.Ltd.(GWafers Singapore)	Subsidiary indirectly owned by the Company
GlobalWafers Japan Co., Ltd. (GWJ)	Subsidiary indirectly owned by the Company
Topsil GlobalWafers A/S (Topsil A/S)	Subsidiary indirectly owned by the Company
Taisil Electronic Materials Corp. (Taisil)	Subsidiary indirectly owned by the Company (Note 3(1))
GWC Capital Co., Ltd. (GWH)	Subsidiary indirectly owned by the Company (Note 4)
Kunshan Sino Silicon Technology Co., Ltd. (Kunshan Sino)	Subsidiary indirectly owned by the Company
GlobiTech Incorporated.(GTI)	Subsidiary indirectly owned by the Company
Topsil Semiconductor sp z o.o.(Topsil PL)	Subsidiary indirectly owned by the Company
GlobalWafers Singapore Pte. Ltd. (GWS)	Subsidiary indirectly owned by the Company
GlobalWafers B.V. (GWBV)	Subsidiary indirectly owned by the Company
MEMC Japan Ltd. (MEMC Japan)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials SpA (MEMC SpA)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials France SarL(MEMC SarL)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials GmbH (MEMC GmbH)	Subsidiary indirectly owned by the Company (Note 3(5))
MEMC Korea Company (MEMC Korea)	Subsidiary indirectly owned by the Company

Names of related parties	Relationship with the Company
MEMC LLC (MEMC LLC)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Subsidiary indirectly owned by the Company
SunEdison Semiconductor Technology (Shanghai) Ltd. (SunEdison Shanghai)	Subsidiary indirectly owned by the Company (Note 3(4))
MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Subsidiary indirectly owned by the Company
United Renewable Energy Co., Ltd. (URE)	The Company is the main management of URE (Note 5)
Accu Solar	An associate of the Company
Crystalwise	An associate of the Company
Advanced Wireless	An associate of the Company
Cathay Sunrise	An associate of the Company (Note 6)
Sunrise PV One Co., Ltd. (Sunrise PV One)	Subsidiary of the associate of the Company (Note 6)
Cathay Sunrise One Co., Ltd. (Cathay Sunrise One)	Subsidiary of the associate of the Company (Note 6)
Cathay Sunrise Two Co., Ltd. (Cathay Sunrise Two)	Subsidiary of the associate of the Company (Note 6)
Cathay Sunrise Electric Power One (CSEPO)	Subsidiary of the associate of the Company (Note 6)
Sunrise PV Five Co., Ltd.	Subsidiary of the associate of the Company (Note 6)

Note 1: The Company can control the financial and operating strategies of Sulu through valid agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 2: The Company does not have an owners' equity of AMLED. However, the Company controls the financial and operating strategies of AMLED and receives all benefits of its operations and net assets based on terms of the agreement. AMLED is considered a subsidiary.

Note 3: The Company adjusted its organizational structure as follows:

(1) Taisil was merged into GlobalWafers. After the merger, GlobalWafers became the surviving company and Taisil was dissolved. The merger occurs on February 1, 2020.

(2) The Company merged with Sunrise PV Electric Power Five on February 1, 2020. After the merger, Sunrise PV Three was transferred to the Company.

(3) Sunrise PV Four was transferred in January 2020 to GlobalWafers for 100% shareholding. Sunrise PV Electric Power Flve was transferred in July 2020 to GlobalWafers for 100% shareholding.

(4) SunEdison Shanghai completed the liquidation process in July 2020.

(5) MEMC GmbH completed the liquidation process in December 2021.

Note 4: SSH and GWH were established in September 2020.

Note 5: URE has become a non-related party since the Company was not elected as a director in June 2020.

Note 6: Cathay Sunrise has become a non-related party after the transfer of the equity on October 23, 2020.

Note 7: SES was established in April 2021.

Note 8: TSCS became a subsidiary after August 25, 2021.

Note 9: Liquidation procedures of SAS Sunrise Pte. Ltd. were completed in 2021.

(2) Significant transactions with related parties

A. Sales

The amounts of significant sales transactions and engineering contract revenue between the Company and related parties were as follows:

	2021	2020
Subsidiary－GlobalWafers	$ 2,090,890	1,027,849
Subsidiaries	260,640	96,669
Associates	64,818	333,039
Other related parties	-	74,920
	$ 2,416,348	1,532,477

In 2021 and 2020, the Company’s processing revenue from related parties was $47,963 thousand and $34,345 thousand, respectively, recognized in the reduction of operating costs.

The selling price for sales to the related parties was determined by market price and adjusted according to the sales area and sales volume.

The credit terms for third parties were 0 to 120 days after month end and 0 to 60 days after month end, respectively, while those for related parties were receipt in advance to 30 days of current moth and to 30 days after month end, respectively.

B. Purchase and outsourced processing

The amounts of purchase and outsourced processing from the related party were as follows:

	2021	2020
Subsidiary	$ 15,539	4,797
Associates	-	34,300
Other related parties	-	2,309
	$ 15,539	**41,406**

The prices of purchases and outsourced processing were determined by market rates.

The payment terms to third parties were 0 to 120 days after month end. In contrast, those to related parties were prepayment to 30 days after month end.

C. Receivables from related parties

The Company's receivables from related parties were as follows:

Items	**Categories**	**December 31, 2021**	**December 31, 2020**
Receivables from related parties	Subsidiaries-GlobalWafers	$ 178,026	200,201
Receivables from related parties	Subsidiaries- Others	6,874	2,579
		$ 184,900	**202,780**

In order to maintain a stable supply of raw materials required for production, the related parties successively signed short-term and long-term supply contracts with the Company, and the details of the receipts in advance to the related parties (recognized as contract liabilities - current / non-current) were as follows:

	December 31, 2021	**December 31, 2020**
Subsidiaries－GlobalWafers	**$ 1,723,876**	**-**

D. Accounts payable to related parties

The payables to related parties were as follows:

Items	**Categories**	**December 31, 2021**	**December 31, 2020**
Account payable to related parties	Subsidiaries	**$ 4,761**	**584**

E. Loan to related parties

The actual loan to the related parties is as follows:

	2021		
Related parties	**Balance at December 31, 2021**	**Range of interest rabes at the year end**	**Interest income**
Subsidiaries	$ 908,308	0.5%~2.5%	5,268

	2020		
Related parties	**Balance at December 31, 2020**	**Range of interest rabes at the year end**	**Interest income**
Subsidiaries	$ 334,800	1.0%~2.5%	6,671

For the borrowings of the subsidiaries from the Company, the interest is based on the average interest rate of the related parties borrowing from financial institutions in the year when they receive the loan, and all of above borrowings are unsecured loans. As of December 31, 2021 and 2020, interest receivable were $2,111 thousand and $663 thousand, respectively, recognized in receivables from related parties.

As of December 31, 2021 and 2020, the subsidiaries involved in the aforementioned transaction capitalized the interest expenses, and the unrealized interests were $3,422 thousand and $3,660 thousand respectively, which were recognized in the investments accounted for using equity method.

F. Loan from related parties

The loans from the related parties were as follows:

	December 31, 2021	December 31, 2020
Subsidiary－Aleo Solar	$ -	192,610

The interests of loans from subsidiaries are based on subsidiaries' average interest rate of loans from financial institutions, and they are all unsecured loans. The interest expense in 2021 and 2020 was $158 and $340 thousand, respectively. As of December 31, 2021 and 2020, the interest payable was nil thousand and $340 thousand, respectively, which was recognized in the accounts payable to related parties.

G. Endorsements/guarantees

The Company's endorsements and guarantees for the related party were summarized as follows:

Categories	2021		2020	
Subsidiaries	NTD	1,300,591	NTD	700,591
Subsidiaries	USD	46,000	USD	46,000

Categories	December 31, 2021		December 31, 2020	
Subsidiaries	NTD	1,300,591	NTD	591
Subsidiaries	USD	46,000	USD	46,000

The Company charged the handling fee of endorsements and guarantees from related parties. As of December 31, 2021 and 2020, the interest income were $7,293 thousand and $9,170 thousand, respectively.

H. Corporate bonds

In October 2021, the Group purchased the one-year private issued corporate bonds of Crystalwise Technology, for $330,000 thousand. The interest rate and the coupon rate were both 2.00%.

As of December 31, 2021 and 2020, the interest income amounted to $5,859 thousand and $9,450 thousand, respectively. As of December 31, 2021 and 2020, the accumulated investment cost and interests receivable amounted to $331,609 thousand and $277,895 thousand, respectively, and were recognized in financial assets measured at amortized cost－current.

I. Payment and advances from related parties

The receivables from related parties and payables to related parties generated from material purchases, insurance and utilities payments as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Subsidiaries	$ 1,405	2,471
Subsidiaries	(101)	(1,692)
Associates	526	190
	$ 1,830	**969**

J. Transactions of property, plant and equipment

(a) Disposition of property, plant and equipment

The disposals of property, plant and equipment to related parties were summarized as follows:

	2021		2020	
	Disposal price	**Receivable from related parties**	**Disposal price**	**Receivable from related parties**
Subsidiaries	$ 15,208	-	5,705	-
Associates	-	-	3,750	-
	$ 15,208	**-**	**9,455**	**-**

The realized gain in 2021 and 2020 were $6,679 thousand and $4,968 thousand, respectively. As of December 31, 2021 and 2020, the deferred gain from disposals of property, plant and equipment to related parties was $53,647 thousand and $44,619 thousand, respectively, recognized in the investments accounted for using equity method.

(b) Acquisition of property, plant and equipment

Purchase amounts of property, plant and equipment from related parties were summarized as follows:

	2021		2020	
	Amount	**Payable to related parties**	**Amount**	**Payable to related parties**
Associate- Crystalwise	**$ -**	**-**	**860,000**	**-**

K. Others

(a) The Company's direct sales to the related parties is regarded as the transfer of inventories, therefore, the revenue and cost of goods sold are not recognized in the parent-company-only financial statements. As of December 31, 2021 and 2020, the deferred revenue arising from the above transactions were $26,212 thousand and $28,375 thousand, respectively, recognized in the investments accounted for using equity method.

In addition, as of December 31 2021 and 2020, the sales of raw materials to the subsidiaries is regarded as the transfer of inventories, and the gross loss of $95,504 thousand and $38,410 thousand, respectively, were deferred and recognized in the investments accounted for using equity method.

(b) The subsidiary GlobalWafers, with the approval of Board of Directors, declared cash dividends on December 7, 2021 and December 9, 2020. The dividends receivable as of December 31, 2021 and 2020 were both $1,781,685 thousand, which was recognized in accounts receivable from related parties.

(c) The Company provided other services for related parties, including service support, human resources and plant lease, etc. Details of related other income and receivables from related parties were as follows:

Categories	2021	2020
Subsidiaries	$ 84,957	64,903
Associates	33,023	18,360
	$ 117,980	**83,263**

Items	Categories	December 31, 2021	December 31, 2020
Receivables from related parties	Subsidiaries	$ 27,657	16,328
Receivables from related parties	Associates	2,217	2,217
		$ 29,874	**18,545**

As of December 31, 2021 and 2020, the Company's receipts in advance from subsidiaries for the service amounted to $715 thousand and $1,931 thousand, respectively, which was recognized in other current liabilities.

(d) The related parties charged the Company for their services, including administrative assistance, technical service, legal work appointment, and plant lease, etc. Details of related other expenses and payables to related parties were as follows:

Categories	2021	2020
Subsidiaries	**$ 6,118**	**11,621**

Items	Categories	December 31, 2021	December 31, 2020
Accounts payable to related parties	Subsidiaries	**$ 602**	**71**

(3) Key management personnel compensation

The remuneration to key management included:

	2021	2020
Short-term employee benefits	$ 205,386	270,259
Post-employment benefits	427	485
	$ 205,813	**270,744**

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2021	December 31, 2020
Time deposits and Refundable deposits (recognized in other financial assets－non-current)	Court guarantee	$ 19,620	19,620
Time deposits (recognized in other financial assets－non-current))	Court guarantee	12,560	-
Time deposits (recognized in other financial assets－non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	11,113	11,113
		$ 43,293	30,733

9. Commitments and contingencies:

The significant contingent liabilities and unrecognized contractual commitments were as follows:

(1) Significant unrecognized contractual commitments

A. The purchase amounts for future delivery from suppliers under the existing agreements and a new agreement signed with Hemlock Semiconductor Pte. Ltd. (hereinafter referred to as Hemlock) in July, 2021, as of December 31, 2021 and 2020, amounted to $20,363,821 thousand and $24,046,672 thousand, respectively.

Discussion of the contract litigation between Hemlock and the Company, please refer to (2) contingent liabilities.

B. In response to the long-term purchase contract referred above, the Company has signed silicon wafer long-term sales contracts successively with the customers since 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

The amount of delivery according to the existing contracts and current market conditions is as follows:

(Unit: currency in thousands)

	December 31, 2021	December 31, 2020
USD	$ 20,736	19,692
EUR	$ 15,048	28,394

C. As of December 31, 2021 and 2020, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to $894,934 thousand and $481,932 thousand, respectively.

D. As of December 31, 2021 and 2020, the total amount of promissory notes deposited by the Company at the bank for acquiring bank financing were $11,341,360 thousand and $12,015,760 thousand, respectively.

E. As of December 31, 2021 and 2020, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted $12,000 thousand and $5,700 thousand, respectively.

F. As of December 31 2021 and 2020, the Company's outstanding unused letter of credits were nil thousand and $199,531 thousand, respectively.

(2) Contingent liabilities:

Hemlock filed summons and complaints against the Company which were delivered to the Company on May 12, 2015. Both parties had reached a settlement in July 2021 and then signed STIPULATION OF DISCONTINUANCE and SETTLEMENT AGREEMENT.

10. Losses Due to Major Disasters: None.

11. Subsequent Events: None.

12. Others:

A summary of the employee benefits, depreciation, and amortization expenses, by function were as follows:

By function / By item	For the years ended December 31,					
	2021			2020		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	535,480	374,825	910,305	482,956	465,764	948,720
Labor and health insurance	39,772	11,553	51,325	39,346	10,754	50,100
Pension	16,639	4,381	21,020	27,241	7,161	34,402
Director's compensation	-	47,495	47,495	-	45,740	45,740
Other employee benefits expenses	26,281	5,056	31,337	28,296	3,870	32,166
Depreciation	346,801	69,882	416,683	430,585	55,619	486,204

As of December 31 2021 and 2020, additional information on the number of employees and employee benefit costs were as follows:

	2021	2020
The number of employees	659	753
The number of directors who are not holding as a position of employee	8	9
Average of employee benefits expense	$ 1,558	1,432
Average of salaries expense	$ 1,398	1,275
The average of salary adjustment rate	10%	41%

The Company' s salary and remuneration policy (including directors, managers and employees) are as follows:

(1) Remuneration to directors：

The director' s remuneration is based on the Company' s profitability of the year. The amount of allocation of remuneration to the independent directors is based on their degree of participation and contribution of the Company's operations.

Besides the salary, the Company may also distribute this remuneration based on the profitability and the degree of participation and contribution of independent directors to the Company's operations.

The standard of above-mentioned remuneration to directors (including independent directors) shall be proposed by the Remuneration Committee; thereafter, to be submitted to the Board of Directors for resolution.

(2) Remuneration to employees

According to the Company' s salary policy and regulations, the remuneration is based on each employee's title, level, academic experience, professional ability, responsibilities, etc.

In accordance with the Company' s "Employee salary and remuneration allocation regulations", when the Company have annual profits, the employee remuneration rewards will be allocated based on the employee's level, title and performance.

(3) Remuneration to managers

The Company evaluates its managers' remuneration with reference to the Taiwan market, the salary level of competitors in the same industry, the Company's salary policy and manager' s title, level, academic experience, professional ability and responsibilities, to grant a reasonable basic salary to each manager. After presenting the results to the salary committee for discussion, the resolution will be submitted to the Board of Directors for approval.

In accordance with the Company's "Employee salary and remuneration allocation regulations", when the Company has annual profits, the remuneration rewards to managers will be allocated based on their level, title and performance.

Based on the overall performance, the chairman proposes to the Remuneration Committee the allocation of rewards based on each manager's contribution to the Company's entire operation results. The manager's remuneration will be reported to the Remuneration Committee for discussion and resolution; thereafter; to be submitted to the Board of Directors for approval.

13. Other disclosures:

(1) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: Please refer to Table 1.

(ii) Guarantees and endorsements for other parties: Please refer to Table 2.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

(iv) Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7.

(ix) Trading in derivative instruments: Please refer to note 6(2).

(2) Information on investees: Please refer to Table 8.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 9(1).

(ii) Limitation on investment in Mainland China: Please refer to Table 9(2).

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the "Information on significant transactions".

(4) Major shareholders:

None of the shareholders hold more than 5% of outstanding shares.

14. Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2021.

Sino-American Silicon Products Inc.
Loans to other parties
For the year ended December 31, 2021

Table 1 (In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
0	Sino-American Silicon Products Inc.	Sulu	Receivable from related parties	Yes	1,569,425	1,522,400	276,800	1%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	40,000	2.5%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	497,548	1%	2	-	Operating capital	-	-	-	11,414,833	11,414,833
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	157,500	156,600	93,960	0.5%	2	-	Operating capital	-		-	11,414,833	11,414,833
1	SSTI	Sulu	Receivable from related parties	Yes	319,815	318,320	318,320	1%	2	-	Operating capital	-	-	-	1,738,462	1,738,462
1	SSTI	AMLED	Receivable from related parties	Yes	322,731	315,441	315,441	1%	2	-	Operating capital	-	-	-	1,738,462	1,738,462
2	Aleo Solar	Sino-American Silicon Products Inc.	Receivable from related parties	Yes	189,035	-	-	0.5%	2	-	Operating capital	-	-	-	413,454	413,454
3	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	176,917	171,616	171,616	1%	2	-	Operating capital	-	-	-	629,166	629,166
4	GlobalWafers	GW GmbH	Receivable from related parties	Yes	6,866,000	-	-	0.45%	2	-	Operating capital	-		-	18,252,601	18,252,601
4	GlobalWafers	Sunrise PV Electric Five	Receivable from related parties	Yes	10,000	10,000	10,000	1%	2	-	Operating capital	-		-	18,252,601	18,252,601

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
4	GlobalWafers	GWH	Receivable from related parties	Yes	500,000	500,000	-	1%	2	-	Operating capital	-		-	18,252,601	18,252,601
5	GWJ	MEMC Japan	Receivable from related parties	Yes	1,443,000	1,443,000	745,550	0.59%	2	-	Operating capital	-		-	16,451,608	16,451,608
5	GWJ	GlobalWafers	Receivable from related parties	Yes	5,667,660	3,607,500	2,886,000	0.56%	2	-	Operating capital	-	-	-	16,451,608	16,451,608
5	GWJ	GlobalWafers	Receivable from related parties	Yes	5,106,080	-	-	0.55%	1	7,245,440	Business between two parties	-	-	-	7,245,440	16,451,608
6	MEMC SpA	GWBV	Receivable from related parties	Yes	1,888,150	1,722,600	1,722,600	0.45%	2	-	Operating capital	-	-	-	8,678,590	8,678,590
6	MEMC SpA	GWS	Receivable from related parties	Yes	2,680,860	2,442,960	1,908,946	3.44%	2	-	Operating capital	-	-	-	8,678,590	8,678,590
7	GWS	GWBV	Receivable from related parties	Yes	2,853,500	936,857	936,857	1.2%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
7	GWS	GW GmbH	Receivable from related parties	Yes	4,291,250	3,915,000	3,915,000	0.45%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
7	GWS	GlobalWafers	Receivable from related parties	Yes	12,270,050	11,902,400	7,287,384	0.8~1.2%	2	-	Operating capital	-	-	-	40,588,738	40,588,738
8	GTI	MEMC LLC	Receivable from related parties	Yes	199,745	193,760	-	1.75%	2	-	Operating capital	-	-	-	9,776,708	9,776,708
8	GTI	GlobalWafers	Receivable from related parties	Yes	1,426,750	1,384,000	1,384,000	0.8%	2	-	Operating capital	-	-	-	9,776,708	9,776,708
9	GWBV	GW GmbH	Receivable from related parties	Yes	4,806,200	4,384,800	2,662,200	0.45%	2	-	Operating capital	-		-	40,277,615	40,277,615
10	GWH	Sunrise PV World Co	Receivable from related parties	Yes	50,000	50,000	10,000	1.00%	2	-	Operating capital	-	-	-	100,161	100,161

Note 1: The nature of financing purposes:

(1) Represents entities with business transaction with the Company.

(2) Represents where an inter-company or inter firm short-term financing facility is necessary.

Note 2: (1) For the Company's loan of funds to those having business transactions, the individual loan is limited to the trade amount between the two parties in the most recent year; for the loan of funds to companies necessary for short-term financing, the individual loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the Company directly and indirectly holds 100% of the voting shares, the individual loan is limited to 40% of the net worth of the company that lends loan.

(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions with the Company, the amount of financing shall not exceed the amount of business transaction for the current year. For GlobalWafers directly and indirectly holds 100% of the voting shares of domestic companies engaged in capital lending, the loan is limited to 40% of the net worth of the Company that lends loan. For the purpose of lending operating capital, the amount of financing offered to a single company and to an investee whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the lender's net worth.

Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund lendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the one year limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.

(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions, the total amount available for financing purposes shall not exceed 40 percent of the lender's net worth. For GlobalWafers directly and indirectly holds 100% of the voting shares of domestic companies engaged in capital lending, the loan is limited to 40% of the net worth of the Company that lends loan. The total amount available for financing to investees whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the Company's net worth.

(3) For loan of funds of Aleo Solar, the total loan is limited to 100% of the net worth of the company that lends loan.

(4) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc.
Guarantees and endorsements for other parties
For the year ended December 31, 2021

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	Sino American Silicon Products Inc.	Sulu	2	1,545,758 (Note 6)	1,312,610 (Note 5)	1,273,280 (Note 5)	970,876 (Note 5)	-	4.46 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	28,537,082	170	170	170	-	-	28,537,082	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	28,537,082	421	421	421	-	-	28,537,082	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	28,537,082	1,300,000	1,300,000	-	-	4.56 %	28,537,082	Y	N	N
1	GlobalWafers	GW GmbH	2	136,894,509	112,244,400	91,485,720	6,577,200	-	200.49 %	136,894,509	N	N	N
1	GlobalWafers	GWH	2	136,894,509	1,300,000	1,300,000	-	-	2.85 %	136,894,509	N	N	N
1	GlobalWafers	Sunrise PV Four	2	136,894,509	100,000	100,000	-	-	0.22 %	136,894,509	N	N	N
1	GlobalWafers	Sunrise PV Electric Five	2	136,894,509	79,800	79,800	79,800	-	0.17 %	136,894,509	N	N	N
1	GlobalWafers	GWS	2	136,894,509	1,260,000	1,252,800	1,252,800	-	2.75 %	136,894,509	N	N	N
2	GTI	MEMC LLC	2	48,883,540	428,025	415,200	93,013	-	4.25 %	48,883,540	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:

(1) The issuer is coded "0".

(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

(1) Ordinary business relationship.
(2) Subsidiary which owned more than 50 percent by the guarantor.
(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
(4) An investee owned more than 90 percent by the guarantor or its subsidiary.
(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements/guarantees provided by the endorsement guarantor company for a single enterprise is limited to 10% of the net worth of the company providing the endorsements/guarantees, but for the subsidiary company, limited to one time of the net worth of the company providing the endorsements/guarantees. The total amount of accumulated endorsements/guarantees shall not exceed the net worth of the Company. The total amount of the Company's endorsements/guarantees and that for a single enterprise shall not exceed five times the net worth of the company providing endorsements/guarantees. The aforesaid net worth is based on the financial statements recently audited or reviewed by an accountant. For endorsements/guarantees due to business transactions, except subject to the provisions of the preceding item, the endorsement guarantee amount should be equal to the higher of the purchase or sales amount.

Note 4: The Company controls the financial and operating strategies of Sulu through effective agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu's individual quota is USD 36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousand. The actual disbursement amount was reduced to USD 35,075 thousand.

Note 6: The endorsements/guarantees quota for Sulu is calculated as the amount of sales at the time of endorsements/guarantees.

Sino-American Silicon Products Inc.

Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2021

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
Sino American Silicon Products Inc.	Corporate bonds of Crystalwise Technology	Affiliated companies	Financial assets measured at amortized cost －current	330	331,609	-	331,609	
Sino American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other comprehensive income	30,410	-	2.14 %	-	
Sino American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp	None	Financial assets at fair value through other comprehensive income	531	-	1.61 %	-	
Sino American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	7,500	-	3.72 %	-	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	195,906	15.00 %	195,906	
Sino American Silicon Products Inc.	Stock of 21－Century Silicon Inc.	None	Financial assets at fair value through profit or loss－non-current	1,000	-	-	-	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss－non-current	10	-	7.20 %	-	
SSH	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	540	39,690	0.06 %	39,690	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	583	205,842	3.17 %	205,842	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	3,000	664,320	5.65 %	664,320	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss－non-current	-	195,163	3.85 %	195,163	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	650	2,879,639	2.17 %	2,879,639	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	2,851	12,631,231	9.50 %	12,631,231	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	600	2,662,679	2.00 %	2,662,679	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,518	185,073	0.32 %	185,073	

Sino-American Silicon Products Inc.

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount (Note)	Shares	Amount (Note)	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
GWBV	Siltronic AG	Financial assets at fair value through profit or loss－non-current	-	None	600	2,688,372	-	-	-	-	-	-	600	2,662,679
GW GmbH	Siltronic AG	Financial assets at fair value through profit or loss－non-current	-	None	-	-	2,851	12,631,231	-	-	-	-	2,851	12,631,231
GlobalWafers	Siltronic AG	Financial assets at fair value through profit or loss－non-current	-	None	650	2,915,490	-	-	-	-	-	-	650	2,879,639
SSH	Transphorm Inc.	Financial assets at fair value through other comprehensive income	-	None	-	-	3,000	664,320	-	-	-	-	3,000	664,320

Note: Including gain or loss on evaluation.

Sino-American Silicon Products Inc.

Acquisition of individual real estate with amount exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 5 (In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
MEMC Korea	Property, plant and equipment	October 5, 2018	1,814,200	To the progress of the project	Sungdo Eng. Company	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None
MEMC Korea	Property, plant and equipment	September 2018	330,175	To the progress of the project	L.Keeley Construction	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None

Sino-American Silicon Products Inc.

Related-party transactions for purchases and sales with amounts exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2021

Table 6 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Aleo Solar	Aleo Solar Italia	Indirectly held subsidiaries	Sale	(211,754)	(15) %	Net 60 days from the end of the month upon issuance of invoice	-	-	81,841	62%	Note 1
Sino American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(196,031)	(2) %	Net 30 days from the end of the month upon issuance of invoice	-	-	5,386	1%	Note 1
Sino American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	Sale	(2,090,890)	(12) %	Net 30 days from the end of the next month upon issuance of invoice	-	-	178,026	24%	Note 1
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	2,073,802	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(359,256)	(4)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	2,061,886	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(379,953)	(4)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	6,697,405	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,872,552)	(21)%	Note 1
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	866,388	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(192,461)	(2)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	712,957	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(122,445)	(1)%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	6,583,737	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,209,905)	(13)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,762,010	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(463,477)	(5)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	811,078	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(155,577)	(2)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	3,606,789	6 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(450,697)	(5)%	Note 1
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	1,090,130	2 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(83,416)	(1)%	Note 1
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	2,619,443	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(735,503)	(8)%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	396,400	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(77,771)	(1)%	Note 1
Actron Technology Inc.	GlobalWafers	Subsidiary of associates	Purchase	289,612	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(65,911)	(1)%	
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	123,758	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(17,452)	-	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	1,399,475	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(219,690)	(2)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(639,618)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	125,959	1%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,671,021	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(295,483)	(3)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(628,577)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	105,615	1%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	3,701,587	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(651,383)	(7)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(4,148,873)	(7) %	Net 60 days from the end of the month upon issuance of invoice	-	-	742,296	8%	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,432,638	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(263,573)	(3)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	4,067,502	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(729,443)	(8)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,534,937)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	263,177	3%	Note 1

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc.

Receivables from related parties with amounts exceeding the lower than NT$100 million or 20% of the capital stock

December 31, 2021

Table 7 (In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
Sino American Silicon Products Inc.	Sulu	Indirectly held subsidiaries	277,369	Note 1	-	-	-	-
Sino American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	178,026	11.54	-	-	178,026	-
Sino American Silicon Products Inc.	SSH	Directly held subsidiaries	498,904	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	316,064	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	360,881	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	171,959	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	450,697	9.10	-	-	268,332	-
GlobalWafers	GWJ	Indirectly held subsidiaries	735,503	4.52	-	-	311,828	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,209,905	6.05	-	-	1,209,905	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	463,477	4.96	-	-	379,126	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	155,577	5.11	-	-	151,219	-
GTI	GlobalWafers	Indirectly held subsidiaries	359,256	6.50	-	-	359,256	-
SST	GlobalWafers	Indirectly held subsidiaries	379,953	5.95	-	-	360,797	-
GWJ	GlobalWafers	Indirectly held subsidiaries	1,872,552	3.59	-	-	1,220,081	-
GWS	GlobalWafers	Indirectly held subsidiaries	122,445	8.34	-	-	80,866	-
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	192,461	6.79	-	-	191,085	-
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	105,615	5.57	-	-	105,615	-
GWS	MEMC Japan	Indirectly held subsidiaries	263,177	5.92	-	-	263,177	-
GWS	MEMC SpA	Indirectly held subsidiaries	742,296	6.83	-	-	742,296	-
GWS	MEMC LLC	Indirectly held subsidiaries	125,959	5.66	-	-	125,959	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	295,483	5.70	-	-	295,483	-
MEMC SpA	GWS	Indirectly held subsidiaries	651,383	6.26	-	-	651,383	-
MEMC Korea	GWS	Indirectly held subsidiaries	263,573	5.99	-	-	134,282	-
MEMC Japan	GWS	Indirectly held subsidiaries	729,443	5.52	-	-	729,443	-
MEMC LLC	GWS	Indirectly held subsidiaries	219,690	9.71	-	-	219,690	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,886,000	Note 1	-	-	481,000	-
GTI	GlobalWafers	Indirectly held subsidiaries	1,384,000	Note 1	-	-	-	-
GWS	GlobalWafers	Indirectly held subsidiaries	7,287,384	Note 1	-	-	-	-

Note 1: Receivables from related party for financing purpose.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 3: The amount received in subsequent period as of February 25, 2022.

Sino-American Silicon Products Inc.

Information on investees

For the year ended December 31, 2021

Table 8 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value			
Sino American Silicon Products Inc.	SSTI	British Virgin Islands	Investment and triangular trade center with subsidiaries in China	1,425,603 (USD45,255)	1,425,603 (USD45,255)	48,526	100.00 %	869,231	5,993	5,993	Subsidiary
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,955,952	8,955,952	222,727	51.17 %	23,349,338	11,870,037	6,074,632	Subsidiary
Sino American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,1 (EUR13,500)	558,139 (EUR13,500)	Note 1	100.00 %	413,454	2,040	2,040	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	314,583	(26,837)	(26,837)	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,092	718	718	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	560,293	3,705	3,705	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	-	2,000	100.00 %	19,985	(15)	(15)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	1,882,936	2,215,803	31,038	35.24 %	15,322	(311,131)	(125,910)	Associate Note 2
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	55,782	1,552	1,703	Associate
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	990,000	990,000	42,758	30.93 %	815,822	194,445	34,217	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Actron Technology Corporation	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	1,756,162	1,609,325	20,807	22.75 %	1,675,049	478,436	105,148	Associate Note 2
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	3,496,500	3,496,500	45,000	22.90 %	3,522,035	843,612	139,522	Associate Note 2
SAS Sunrise Inc.	SAS Sunrise Pte.Ltd.	Singapore	Investment activities	450,732 (USD13,000)	450,732 (USD13,000)	18,165	100.00 %	-	3,548	-	Subsidiary Note 4 and 7
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	98,147	(31,795)	-	Subsidiary Note 4
SAS Sunrise Pte.Ltd.	AMLED	Philippines	Investment activities	-	-	-	-	-	-	-	Subsidiary Note 3 and 4
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	118,589	(31,795)	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value			
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	- Note 1	100.00 %	15,156	15,064	-	Subsidiary Note 4
GlobalWafers	GWI	Cayman	Investment activities	1,427 (USD48)	1,427 (USD48)	0.01	100.00 %	1,824	1	-	Subsidiary Note 4
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	756,809 (USD26,555)	756,809 (USD26,555)	25,000	100.00 %	2,258,662	459,294	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	16,436,066	1,795,646	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	17,378,877	17,378,877	541,674	100.00 %	38,958,825	5,462,710	-	Subsidiary Note 4
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,691,344	220,804	-	Associate Note 4
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,050,119	4,948	-	Subsidiary Note 4
GlobalWafers	Sunrise PV Five	Taiwan	Electricity activities	278,000	122,000	27,800	100.00 %	276,319	(1,527)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	250,403	469	-	Subsidiary Note 4
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,755,254	198,616	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	0.1	100.00 %	-	-	-	Subsidiary Note 4
GWafers Singapore	GWS	Singapore	Investment activities	14,671,320 (USD406,898)	14,671,320 (USD406,898)	299,445	100.00 %	45,502,198	5,466,903	-	Subsidiary Note 4
GWS	GWBV	Netherlands	Investment activities	11,213,730 (USD362,763)	11,213,730 (USD362,763)	0.1	100.00 %	40,277,615	3,809,075	-	Subsidiary Note 4
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	8,678,590	850,595	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	2,030	625	-	Subsidiary Note 4
MEMC SpA	MEMC GmbH	Germany	Trading	-	4,622 (USD141)	-	- %	-	-	-	Subsidiary Note 4
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers and sale	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	17,283,919	2,184,873	-	Subsidiary Note 4
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	10,916,070	895,489	-	Subsidiary Note 4
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers and sale	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	3,348	(109)	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousand)	Percentage of Ownership	Carrying value			
GWBV	Global Wafers GmbH	Germany	Trading	827 (USD27)	827 (USD27)	25	100.00 %	(161,505)	(171,165)	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers and sale	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	1,945,237	137,093	-	Subsidiary Note 4
GTI	MEMC LLC	United states	Manufacturing and trading of silicon wafers and sale	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	3,909,498	279,273	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,006,506	68,216	-	Subsidiary Note 4

Note:1 A limited company.
Note 2: The investment gain or loss recognition includes the investment cost and the amortization of the net equity acquired.
Note 3: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.
Note 4: The investor’s profits and losses included the profits and losses of the investees; therefore, the investee’s profits and losses need not be disclosed.
Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 6: In August 2021, the Company acquired control after obtaining more than half of the total number of directors in a reshuffle of the Board of Directors.
Note 7: Liquidation procedures of SAS Sunrise Pte. Ltd. were completed in 2021.

Sino-American Silicon Products Inc.

The names of investees in Mainland China, the main businesses and products and other information

For the year ended December 31, 2021

Table 9 (In Thousands of New Taiwan Dollars)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
SST	Processing and trading of ingots and wafers	769,177 (Note 5)	Note 1	713,300 (USD21,729))	-	-	713,300 (USD21,729)	459,207	100%	459,207	2,198,254	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD21,729)	1,101,933 (USD35,000) (Note 3)	27,378,902 (Note 4)

Note 1: Investments through GSI.

Note 2: The basis for investment income (loss) recognition is from the audited financial statements.

Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.

Note 4: Pursuant to the 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the Company's net equity on December 31, 2021.

Note 5: Retained earnings transferred to capital was included.

Sino-American Silicon Products Inc.

List of cash and cash equivalents

December 31, 2021

(Expressed in thousands of New Taiwan Dollars; in dollar of foreign currencies)

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 180
Bank deposits	Check deposits	430
	Demand deposits	261,230
	Foreign currency deposits (USD: 19,313,838.69; CHF: 5,840.80; JPY: 8,496,887; EUR: 119,411.91; RMB: 537,380.84)	542,901
	Subtotal	804,561
	Total	**$ 804,741**

Note: Foreign currency exchange rates at the balance sheet date are as follows:

USD exchange rate: 27.68

CHF exchange rate: 30.175

JPY exchange rate: 0.2405

EUR exchange rate: 31.32

RMB exchange rate: 4.344

Sino-American Silicon Products Inc.

Statement of Notes and Accounts Receivable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Customer Name	Amount
Company G	$ 143,371
Company F	128,859
Company D	122,995
Company H	43,127
Company E	36,792
Others (individual amount does not exceed 5%)	95,094
	$ 570,238

Note: 1. Notes and accounts receivable resulting from business activities.

2. Accounts receivable－related party is not included in the accounts receivable referred to above. Please refer to note 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of inventories

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Amount: Costs	Amount: Net realizable value	Remark
Finished goods and products	$ 145,912	153,518	Please refer to note 4 (7) to the parent-company-only financial statements for the reference of net realizable value of inventory.
Work in progress	78,681	121,137	
Raw materials	483,844	504,867	
Supplies	40,926	40,467	
Subtotal	749,363	**819,989**	
Less: Allowance for valuation loss	(25,478)		
Total	**$ 723,885**		

Statement of other current assets

Items	Amount
Contract assets	$ 153,126
Income tax refund receivable	34,264
Others (individual amount does not exceed 5%)	14,122
Total	**$ 201,512**

Sino-American Silicon Products Inc.

Statement of changes in financial assets measured at fair value through other comprehensive income－Non-current

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

Name	Beginning balance		Increase (decrease) for the period		Gain or loss on evaluation	End of the period		Accumulated impairment loss	Guarantee or collateral provided	Remarks
	Shares	Fair value	Shares	Amount	Amount	Shares	Fair value			
Giga Electronic Technology Corp.	531	$ 6,095	-	-	(6,095)	531	-	Not applicable	None	
Powertech Energy Corp.	30,410	-	-	-	-	30,410	-	Not applicable	None	
Bigsun Technology Corporation	7,500	-	-	-	-	7,500	-	Not applicable	None	
Total		$ 6,095		-	(6,095)		-			

Sino-American Silicon Products Inc.

Statement of changes in Financial assets measured at amortized cost－non-current

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Increase of the year		Decrease of the year		Gain or loss on evaluation	End of the period		Accumulated	Guarantee or	
	Number of bond units	Carrying Amount	Number of bond units	Amount	Number of bond units	Amount	Amount	Number of bond units	Carrying Amount	impairment loss	collateral provided	Remarks
Crystalwise Technology - Corporate bonds	280	$ 277,895	330	330,260	(280)	(280,000)	3,454	330	331,609	-	None	

Sino-American Silicon Products Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

	Beginning balance		Increase (decrease) for the period							Ending balance			Market price or net equity value		
Investee company name	Shares	Amount	Shares	Amount	Net change in net equity value of subsidiaries and related enterprises recognized by equity method (Note 7)	Investment profits and losses	Exchange differences on translation of foreign financial statements	Remeasurement of defined benefit plan of subsidiaries	Other adjustment items (Note 8)	Shares	Amount	Shareholding ratio (%)	Unit price	Total price	Guarantee or collateral provided
Subsidiary:															
SSTI	48,526	$ 1,020,754	-	-	-	5,993	(27,259)	-	(130,257)	48,526	869,231	100.00	-	869,231	None
GlobalWafers	222,727	22,593,298	-	(4,009,086)(Note 1)	871,666	6,074,632	(2,527,259)	71,013	275,074	222,727	23,349,338	51.17	888	197,781,576	None
Aleo Solar	-	460,160	-	-	-	2,040	(48,746)	-	-	-	413,454	100.00	-	413,454	None
SAS Sunrise Inc.	24,500	329,338	-	-	-	(26,837)	12,082	-	-	24,500	314,583	-	-	314,583	None
TSCS	-	-	42,758	807,499 (Note 2)	-	5,822	-	-	2,501	42,758	815,822	30.93	-	818,822	None
SES	-	-	2,000	20,000 (Note 3)	-	(15)	-	-	-	2,000	19,985	100.00	-	19,985	None
Sunrise PV Three	1,500	16,184	-	(810)(Note 4)	-	718	-	-	-	1,500	16,092	100.00	-	16,092	None
SSH	25,000	249,972	-	-	-	3,705	-	-	306,616	25,000	560,293	100.00	-	560,293	None
	-	24,669,706		(3,182,397)	871,666	6,066,058	(2,591,182)	71,013	453,934		26,358,798			200,794,036	None
Affiliated enterprises:															
Crystalwise Technology Inc.	36,525	168,219	(5,487)	(17,950)	4,968	(125,910)	(1,373)	-	(12,632)	31,038	15,322	35.24	28	869,064	None
Accu Solar Corporation	7,452	54,079	-	-	-	1,703	-	-	-	7,452	55,782	24.70	-	55,782	None
TSCS	90,000	779,104	(90,000)	(807,499)(Note 2)	-	28,395	-	-	-	-	-	-	-	-	None
Actron Technology Inc.	19,499	1,446,720	1,308	84,397 (Note 5)	(65,139)	105,148	(725)	-	104,648	20,807	1,675,049	22.75	244	5,076,908	None
Advanced Wireless	45,000	3,508,513	-	(126,000)(Note 6)	-	139,522	-	-	-	45,000	3,522,035	22.90	142	6,390,000	None
		5,956,635		(867,052)	(60,171)	148,858	(2,098)	-	92,016		5,268,188			12,391,754	
Unrealized gain from affiliate accounts		(38,244)		50,467	-	-	-	-	-		12,223				
Total		$ **30,588,097**		**(3,998,982)**	**811,495**	**6,214,916**	**(2,593,280)**	**71,013**	**545,950**		**31,639,209**				

Note 1: Due to cash dividends of $4,009,086 thousand from GlobalWafers.

Note 2: On August 25 2021, TSCS became a subsidiary after the Company obtained more than half of the total number of directors in a reshuffle of the Board of Directors and was measured at fair value. In December 2021, the registration of capital reduction was completed ,and the number of shares held was changed from 90,000 thousand to 42,758 thousand.

Note 3: Due to the increase of investment of $20,000 thousand by SES.

Note 4: Due to cash dividends of $810 thousand from Sunrise PV Three.

Note 5: The increase of investment of $146,837 thousand for the affiliate companies, and dividend of $62,440 thousand.

Note 6: Due to cash dividends of $126,000 thousand by Advanced Wireless.

Note 7: Included the adjustments to capital surplus due to non-proportional investment in investee's increase in capital.

Note 8: Included unrealized gain or loss and re-measurement of disposal gain and loss of the financial assets held by subsidiaries and affiliated associates, and the employees unvested stock awards, etc.

Sino-American Silicon Products Inc.

Statement of changes in property, plant and equipment

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (8) for relevant information of property, plant and equipment.

Statement of changes in right for use assets

Please refer to note 6 (9) for relevant information of right for use assets.

Statement of other non-current assets

(Expressed in thousands of New Taiwan Dollars)

Items		Amount
Deferred income tax assets－non-current	$	91,714
Prepayments for equipment－non-current		38,095
Others (individual amount does not exceed 5%)		3,412
	$	**133,221**

Sino-American Silicon Products Inc.

Statement of short-term borrowings

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Lending bank	Explanation	Ending balance	Contract duration	Range of Interest Rate	The unutilized credit amount	Mortgage or guarantee
DBS Bank	Working capital	$ 370,000	Note 1	Note 3	183,600	None
Mizuho Bank	Working capital	1,110,000	Note 1	Note 3	135,600	None
Taipei Fubon Bank	Purchase of materials loan	15,303	Note 1	Note 3	1,934,277	None
		$ 1,495,303				

Note 1: The loan period is based on the actual practice and it is usually repaid in one month. The operation turnover period is for one year.
Note 2: In addition to the above booked, the Company still has unused credit lines amounted to $6,047,000 thousand.
Note 3: Range of interest rate is 0.29%~0.54%.

Statement of Accounts payable

Names of suppliers	Amount
Supplier A	$ 130,788
Supplier E	73,026
Supplier F	26,635
Supplier G	25,730
Others (individual amount does not exceed 5%)	224,057
Total	$ 480,236

Note: 1. Accounts payable are resulting from business activities.
2. Accounts payable－related parties were not included in the above accounts. Please refer to note 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of lease liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Rental term	Discount rate	Ending balance	Remark
Building	Warehouse	2015/7/1~2025/6/30	1.11%	$ 77,819	
Land	Science park	2020/5/26~2039/12/31	1.76%	49,550	
Land	Science park Authority	2020/4/1~2027/12/31	1.11%	24,273	
Office and other equipment	Cars	2019/3/11~2022/3/10	1.11%	142	
Office and other equipment	Cars	2020/5/14~2023/5/13	1.76%	248	
Office and other equipment	Cars	2020/6/1~2022/10/27	1.76%	152	
Office and other equipment	Cars	2021/7/31~2024/7/30	0.89%	607	
				152,791	
Less: lease liabilities－current				(28,937)	
Total				$ 123,854	

Statement of contract liabilities

Customer Name	Amount
GlobalWafers	$ 1,723,876
Company H	879,337
Company G	166,968
Others (individual amount does not exceed 5%)	93,781
	2,863,962
Less: contract liability-current	(1,827,878)
Total	$ 1,036,084

Sino-American Silicon Products Inc.

Statement of other current liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount
Other accrued expenses		$ 59,320
Estimated accrued expenses		57,556
Accrued remuneration of directors		45,000
Lease liabilities-current		28,937
Equipment payable		58,490
Others (individual amount does not exceed 5%)	Other payables and interest payable	6,182
		$ 255,485

Statement of other liabilities－non-current

Items	Summary	Amount
Lease liabilities－non-current		$ 123,854
Others (individual amount does not exceed 5%)		1,417
Total		**$ 125,271**

Sino-American Silicon Products Inc.

Operating revenues statement

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Sales volume	Amount
Sales revenue:		
Solar cells	72,639 thousand/pcs	$ 2,485,299
Solar ingot	475 thousand/kg	1,624,328
Solar module	16 thousand/pcs	57,772
Solar wafer	14,954 thousand/pcs	217,029
Revenues from sale of goods and raw materials		3,054,925
Subtotal		7,439,353
Electricity Revenue and others		697,741
Net operating revenues		**$ 8,137,094**

Sino-American Silicon Products Inc.

Statement of operating costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Beginning inventory - goods	$ 13,627
Add: purchase in this period	3,625,724
Less: Inventories at the end of the period	47,249
Realized gain from inter-affiliate accounts	10,519
Transfer of expenses	160,592
Cost of goods purchased and sold	3,420,991
Raw material consumption	
Beginning raw materials	328,915
Add: Material purchased in this period	2,690,230
Less: Ending raw materials	524,770
Realized gain from inter-affiliate accounts	343
Reclassified as expenses	399,753
Sale in this period	515,010
Consumption of raw materials in this period	1,579,269
Direct labor	213,099
Manufacturing expenses	1,201,346
Manufacturing cost	2,993,714
Add: Beginning WIP goods	36,248
Transfer in of finished goods	469,816
Less: Ending WIP goods	78,681
Transferred to expense and others	4,371
Costs of finished goods	3,416,726
Add: Beginning finished goods	118,189
Less: Finished goods at end of period	98,663
Transferred to expense and others	1,108
Transfer out of finished goods	469,816
Cost of finished goods sold	2,965,328
Cost of goods sold	6,386,319
Add: Cost of raw materials sold	515,010
Unallocated fixed manufacturing expense	198,504
The impairment loss of property, plant and equipment	8,908
Other operating costs	577,295
Less: Realized loss and offset from sales to affiliated companies	57,094
Recognition reversal of provisions for inventory valuation loss	15,053
Recognition reversal of provision loss	314,804
Total operating costs	**$ 7,299,085**

Sino-American Silicon Products Inc.

Statement of operating expense

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Selling expenses	Administrative expenses	Research and development expenses
Salary expenses	$ 49,929	274,604	50,292
Import/export expenses	6,891	-	6
Directors remuneration	-	47,495	-
Depreciation	94	69,288	500
Indirect material expense	-	53	5,673
Technical services fee	-	-	5,062
Others (summary of individual amount not exceeding 5%)	11,379	59,516	9,091
Total	**$ 68,293**	**450,956**	**70,624**

Statement of Interest Income

Please refer to note 6 (21) of the parent-company-only financial statements for relevant information of interest income.

Sino-American Silicon Products Inc.

Statement of other gains and losses, net

For the year ended December 31, 2021

Please refer to note 6 (22) of the parent-company-only financial statements for relevant information of other gains and losses, net.

Statement of finance costs

Please refer to note 6 (23) of the parent-company-only financial statements for relevant information of finance cost.

Employee benefits, depreciation, depletion, and amortization expenses summarized by functions.

Please refer to note 12 of the parent-company-only financial statements for relevant information of employee benefits, depreciation, and amortization expenses.