

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Sino-American Silicon Products Inc. and its subsidiaries as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (“IASs”) 34, “Interim Financial Reporting”, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$6,033,242 thousand and \$6,695,284 thousand, constituting 2.9% and 3.6% of consolidated total assets at September 30, 2023 and 2022, respectively, total liabilities amounting to \$1,760,243 thousand and \$2,148,368 thousand, constituting 1.3% and 1.8% of consolidated total liabilities at September 30, 2023 and 2022, respectively, and total comprehensive income (loss) amounting to \$(87,819) thousand, \$421,553 thousand, \$(159,799) thousand and \$85,999 thousand, constituting (1.3)%, 7.2%, (1.0)% and 1.0% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2023 and 2022, respectively.

Furthermore, as stated in Note 6(7), the other equity-method accounted investments of Sino-American Silicon Products Inc. and its subsidiaries in its investee companies of \$55,197 thousand and \$54,271 thousand as of September 30, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$(392) thousand, \$(657) thousand, \$326 thousand and \$(1,511) thousand for the three months and nine months ended September 30, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Sino-American Silicon Products Inc. and its subsidiaries as of September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting”, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
November 10, 2023

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 review 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

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 27,917,933	13	83,247,854	42	82,848,159	45	2100	Short-term borrowings (notes 6(14) and 8)	\$ 24,010,544	12	9,796,000	5	9,454,000	5
1110	Financial assets at fair value through profit or loss—current (note 6(2))	-	-	32,415	-	1,754	-	2105		998,938	-	-	-	-	-
1136	Financial assets measured at amortized cost—current (notes 6(4) and 7)	-	-	331,609	-	333,255	-	2120	Financial liabilities at fair value through profit or loss—current (notes 6(2) and (16))	271,858	-	1,219	-	22,994	-
1170	Notes and accounts receivable, net (notes 6(5) and (23))	10,935,671	5	11,255,045	6	11,806,893	6	2130	Contract liabilities—current (note 6(23))	10,073,102	5	10,514,416	5	10,113,044	6
1180	Accounts receivable due from related parties, net (notes 6(23) and 7)	92,344	-	83,043	-	56,851	-	2170	Notes and accounts payable	5,185,673	2	5,129,293	3	4,571,048	3
130X	Inventories (note 6(6))	10,913,333	5	10,789,580	6	10,117,042	6	2180	Accounts payable to related parties (note 7)	5,626	-	1,195	-	2,363	-
1476	Other financial assets—current (notes 6(1), 8 and 9)	49,480,951	24	8,490,021	4	4,385,584	2	2201	Payroll and bonus payable	5,500,882	3	4,392,988	2	4,467,770	2
1479	Other current assets (note 6(13))	2,025,529	1	1,822,111	1	2,283,413	1	2216	Dividends payable	-	-	3,257,330	2	62,061	-
		<u>101,365,761</u>	<u>48</u>	<u>116,051,678</u>	<u>59</u>	<u>111,832,951</u>	<u>60</u>	2250	Provisions—current (note 6(18))	442,503	-	441,556	-	361,983	-
Non-current assets:								2230	Current tax liabilities	3,355,976	2	4,889,132	2	3,934,399	2
1513	Financial assets at fair value through profit or loss—non-current (note 6(2))	11,453,604	6	9,331,720	5	7,640,868	4	2270	Convertible bonds, current portion (note 6(16))	6,627,148	3	-	-	-	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	1,927,386	1	1,444,845	1	1,430,113	1	2321	Bonds payable, current portion (note 6(16))	7,097,766	4	-	-	-	-
1550	Investments accounted for using equity method (note 6(7))	3,260,883	2	2,507,749	1	2,410,220	1	2322	Long-term borrowings, current portion (note 6(15))	1,175,549	1	35,316	-	36,513	-
1600	Property, plant and equipment (notes 6(10) and 8)	73,948,033	35	51,865,962	27	47,109,508	26	2399	Other current liabilities (notes 6(17), 7 and 9)	8,878,714	4	5,144,003	3	3,435,469	2
1755	Right-of-use assets (note 6(11))	1,167,160	1	815,962	-	817,904	-			<u>73,624,279</u>	<u>36</u>	<u>43,602,448</u>	<u>22</u>	<u>36,461,644</u>	<u>20</u>
1780	Intangible assets (note 6(12))	6,964,785	3	7,124,580	4	7,229,344	4	Non-Current liabilities:							
1840	Deferred tax assets (note 6(20))	2,770,445	1	2,699,496	1	3,180,133	2	2527	Contract liabilities—non-current (notes 6(23) and 9)	27,713,564	13	29,046,638	15	27,814,959	15
1980	Other financial assets—non-current (notes 8 and 9)	209,805	-	203,658	-	431,555	-	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (16))	-	-	466,831	-	578,080	-
1990	Other non-current assets (note 6(13))	5,645,144	3	4,563,740	2	3,454,009	2	2530	Convertible bonds (note 6(16))	-	-	23,793,835	12	24,835,702	13
		<u>107,347,245</u>	<u>52</u>	<u>80,557,712</u>	<u>41</u>	<u>73,703,654</u>	<u>40</u>	2531	Bonds payable (note 6(16))	11,892,349	6	18,986,110	10	18,984,775	10
								2540	Long-term borrowings (notes 6(15) and 8)	4,208,235	2	868,325	-	932,656	1
								2550	Provisions—non-current (note 6(18))	3,080,655	1	3,322,452	2	3,381,531	2
								2570	Deferred tax liabilities (note 6(20))	6,159,751	3	4,613,886	2	3,448,547	2
								2670	Other non-current liabilities (notes 6(17), 7 and 9)	2,605,077	1	2,237,993	1	2,416,799	1
								2640	Net defined benefit liabilities (note 6(19))	1,492,850	1	1,539,328	1	1,764,534	1
										<u>57,152,481</u>	<u>27</u>	<u>84,875,398</u>	<u>43</u>	<u>84,157,583</u>	<u>45</u>
								Total liabilities		<u>130,776,760</u>	<u>63</u>	<u>128,477,846</u>	<u>65</u>	<u>120,619,227</u>	<u>65</u>
								Equity (note 6(21)):							
								3110	Ordinary shares	5,862,217	3	5,862,217	3	5,862,217	3
								3200	Capital surplus	16,724,301	8	16,846,163	8	17,332,727	9
								3300	Retained earnings	19,335,765	9	15,138,189	8	13,966,706	8
								3400	Other equity interest	(5,791,792)	(3)	(5,973,997)	(3)	(6,574,385)	(4)
									Total equity attributable to shareholders of the Company	36,130,491	17	31,872,572	16	30,587,265	16
								36XX	Non-controlling interests (note 6(9))	41,805,755	20	36,258,972	19	34,330,113	19
									Total equity	<u>77,936,246</u>	<u>37</u>	<u>68,131,544</u>	<u>35</u>	<u>64,917,378</u>	<u>35</u>
								Total liabilities and equity		<u>\$ 208,713,006</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>	<u>185,536,605</u>	<u>100</u>
	Total assets	<u>\$ 208,713,006</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>	<u>185,536,605</u>	<u>100</u>								

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 three months and nine months ended September 30, 2023 and 2022

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

	For the three months ended				For the nine months ended				
	September 30,		September 30,		September 30,		September 30,		
	2023	2022	2023	2022	2023	2022	2023	2022	
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(23) and 7)	\$ 19,601,385	100	21,626,382	100	60,823,239	100	60,666,375	100
5000	Operating costs (notes 6(6), (10), (12), (18), (19), (24) and 7)	13,042,944	67	13,092,108	61	39,700,229	65	36,405,178	60
	Gross profit from operations	6,558,441	33	8,534,274	39	21,123,010	35	24,261,197	40
	Operating expenses (notes 6(10), (12), (18), (19), (24) and 7):								
6100	Selling expenses	384,423	2	483,381	2	1,231,570	2	1,388,763	2
6200	Administrative expenses	803,630	4	710,739	3	2,303,573	4	1,501,301	2
6300	Research and development expenses	724,150	3	681,861	3	2,033,207	3	1,703,508	3
6450	Expected credit losses (reversal gains) (note 6(5))	(1,056)	-	367	-	20,067	-	180	-
	Total operating expenses	1,911,147	9	1,876,348	8	5,588,417	9	4,593,752	7
	Net operating income	4,647,294	24	6,657,926	31	15,534,593	26	19,667,445	33
	Non-operating income and expenses:								
7100	Interest income (notes 6(25) and 8)	811,269	4	330,448	2	2,446,110	4	562,351	1
7020	Other gains and losses (note 6(26))	1,709,977	9	548,407	3	2,760,030	5	(7,318,061)	(12)
7050	Finance costs (note 6(25))	(192,827)	(1)	(132,710)	(1)	(570,285)	(1)	(378,305)	(1)
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	86,213	-	73,949	-	216,236	-	135,804	-
		2,414,632	12	820,094	4	4,852,091	8	(6,998,211)	(12)
	Income before income tax	7,061,926	36	7,478,020	35	20,386,684	34	12,669,234	21
7950	Less: Income tax expense (note 6(20))	1,608,063	8	1,893,225	9	5,490,464	10	1,733,681	3
	Net income	5,453,863	28	5,584,795	26	14,896,220	24	10,935,553	18
8300	Other comprehensive income:								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(310,680)	(2)	153,992	-	(211,080)	-	(238,809)	-
8320	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27))	(112,702)	-	(111,303)	-	167,372	-	(1,041,007)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(20))	32,436	-	-	-	85,100	-	-	-
		(390,946)	(2)	42,689	-	41,392	-	(1,279,816)	(2)
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign operations	1,956,471	10	308,398	1	613,292	1	(851,488)	(1)
8370	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27))	2,938	-	56	-	158	-	4,320	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(20))	(392,140)	(2)	(62,507)	-	(153,386)	-	180,532	-
		1,567,269	8	245,947	1	460,064	1	(666,636)	(1)
8300	Other comprehensive income (after tax)	1,176,323	6	288,636	1	501,456	1	(1,946,452)	(3)
	Total comprehensive income	\$ 6,630,186	34	5,873,431	27	15,397,676	25	8,989,101	15
	Net income attributable to:								
	Shareholders of Sino-American Silicon Products Inc.	\$ 2,693,735	14	3,094,636	14	7,595,396	12	6,180,774	10
	Non-controlling interests	2,760,128	14	2,490,159	12	7,300,824	12	4,754,779	8
		\$ 5,453,863	28	5,584,795	26	14,896,220	24	10,935,553	18
	Total comprehensive income attributable to:								
	Shareholders of Sino-American Silicon Products Inc.	\$ 3,090,106	16	3,344,300	15	7,777,601	13	5,042,101	8
	Non-controlling interests	3,540,080	18	2,529,131	12	7,620,075	12	3,947,000	7
		\$ 6,630,186	34	5,873,431	27	15,397,676	25	8,989,101	15
	Earnings per share (NT dollars) (note 6(22))								
9750	Basic earnings per share	\$ 4.60		5.28		12.96		10.54	
9850	Diluted earnings per share	\$ 4.59		5.28		12.87		10.50	

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 nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Total	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Others	Total other equity interest				
				Special reserve	Unappropriated retained earnings								Total retained earnings
Balance at January 1, 2022	\$ 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
Net income for the period	-	-	-	-	6,180,774	6,180,774	-	-	-	-	6,180,774	4,754,779	10,935,553
Other comprehensive income for the period	-	-	-	-	-	-	(272,827)	(865,846)	-	(1,138,673)	(1,138,673)	(807,779)	(1,946,452)
Comprehensive income for the period	-	-	-	-	6,180,774	6,180,774	(272,827)	(865,846)	-	(1,138,673)	5,042,101	3,947,000	8,989,101
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	688,322	-	(688,322)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,108,565	(4,108,565)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(2,023,754)	(2,023,754)	-	-	-	-	(2,023,754)	-	(2,023,754)
Changes in equity of associates accounted for using equity method	-	(357,586)	-	-	-	-	-	-	3,295	3,295	(354,291)	(262,220)	(616,511)
Capital reduction to offset accumulated deficits	-	(614,243)	-	-	-	-	-	-	-	-	(614,243)	-	(614,243)
Others	-	370	-	-	-	-	-	-	-	-	370	-	370
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,889,137)	(1,889,137)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	8,908,614	8,908,614
Balance at September 30, 2022	\$ 5,862,217	17,332,727	2,031,108	5,439,007	6,496,591	13,966,706	(5,178,361)	(1,393,263)	(2,761)	(6,574,385)	30,587,265	34,330,113	64,917,378
Balance at January 1, 2023	\$ 5,862,217	16,846,163	2,031,108	5,439,008	7,668,073	15,138,189	(4,616,247)	(1,354,989)	(2,761)	(5,973,997)	31,872,572	36,258,972	68,131,544
Net income for the period	-	-	-	-	7,595,396	7,595,396	-	-	-	-	7,595,396	7,300,824	14,896,220
Other comprehensive income for the period	-	-	-	-	-	-	268,294	(86,089)	-	182,205	182,205	319,251	501,456
Comprehensive income for the period	-	-	-	-	7,595,396	7,595,396	268,294	(86,089)	-	182,205	7,777,601	7,620,075	15,397,676
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	874,160	-	(874,160)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	534,990	(534,990)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(3,400,062)	(3,400,062)	-	-	-	-	(3,400,062)	(2,084,719)	(5,484,781)
Difference between consideration and the carrying amount of subsidiaries acquired or disposed	-	(148,343)	-	-	-	-	-	-	-	-	(148,343)	-	(148,343)
Changes in equity of associates accounted for using equity method	-	26,001	-	-	2,242	2,242	-	-	-	-	28,243	-	28,243
Due to donated assets received	-	480	-	-	-	-	-	-	-	-	480	-	480
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	11,427	11,427
Balance at September 30, 2023	\$ 5,862,217	16,724,301	2,905,268	5,973,998	10,456,499	19,335,765	(4,347,953)	(1,441,078)	(2,761)	(5,791,792)	36,130,491	41,805,755	77,936,246

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 nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 20,386,684	12,669,234
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	6,034,559	4,998,620
Amortization expenses	275,360	256,540
Expected credit losses	20,067	180
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(1,654,098)	11,257,768
Interest expenses	570,285	378,305
Interest income	(2,446,110)	(562,351)
Dividend income	(444,757)	(404,420)
Shares of profit of associates accounted for using equity method	(216,236)	(135,804)
Gain on disposal of property, plant and equipment	(71,440)	(51,554)
Gains on disposal of investments	-	(58,049)
Gains on re-measurement	-	(23,282)
Recognition (reversal) of write-down of inventory	83,590	(22,436)
Reversal of provisions	(244,595)	(235,748)
Lease modification gain	(1,601)	(26)
Total adjustments	<u>1,905,024</u>	<u>15,397,743</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	403,029	(1,697,384)
Inventories	(77,235)	(947,198)
Prepayments	78,237	156,470
Other financial assets	(297,490)	(55,713)
Contract liabilities	(3,036,180)	4,737,638
Notes and accounts payable (including related parties)	(2,227,584)	(143,891)
Net defined benefit liabilities	(46,478)	(72,897)
Other operating liabilities	696,997	(1,151,880)
Total changes in operating assets and liabilities	<u>(4,506,704)</u>	<u>825,145</u>
Total adjustments	<u>(2,601,680)</u>	<u>16,222,888</u>
Cash inflow generated from operations	17,785,004	28,892,122
Interest received	1,720,374	427,971
Dividends received	444,757	404,420
Interest paid	(494,410)	(160,832)
Income taxes paid	<u>(5,644,005)</u>	<u>(2,359,980)</u>
Net cash flows generated from operating activities	<u>13,811,720</u>	<u>27,203,701</u>

(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 nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended	
	September 30,	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(621,428)	(364,390)
Proceeds from capital reduction of financial assets at fair value through profit or loss	16,160	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	9,797	12,919
Proceeds from disposal of financial assets at amortized cost	330,000	-
Acquisition of financial assets at fair value through profit or loss	-	(20,426)
Proceeds from disposal of financial assets at fair value through other comprehensive income	42,552	-
Acquisition of investments accounted for using equity method	(639,833)	(778,083)
Net cash inflows from disposal of investments accounted for using equity method	-	60,108
Increase in prepayments for investments	(30,612)	(7,200)
Acquisition of property, plant and equipment	(24,707,861)	(8,722,408)
Proceeds from disposal of property, plant and equipment	195,123	59,992
Acquisition of intangible assets	(10,062)	(15,100)
Net cash inflows (outflows) from business combination	(436,440)	2,508,530
Decrease (increase) in other financial assets	(40,278,298)	457,203
Cash dividends from investments accounted for using equity method	137,557	144,758
Net cash flows used in investing activities	(65,993,345)	(6,664,097)
Cash flows from financing activities:		
Increase in short-term loans	14,199,221	1,694,698
Increase in short-term notes and bills payable	998,938	-
Repayments of bonds	(17,644,805)	(1,608,296)
Increase in long-term borrowings	4,671,026	-
Repayments of long-term borrowings	(116,393)	(193,457)
Increase in guarantee deposits received	81,600	1,519,261
Repayment of the principal portion of lease liabilities	(157,396)	(149,455)
Cash dividends and capital surplus distribution	(8,742,111)	(8,488,916)
Proceeds from disposal of equity in subsidiaries from non-controlling interests	-	93,160
Change in non-controlling interests	4,839	-
Acquisition of equity in subsidiaries from non-controlling interests	-	(66,839)
Other financing activities	480	370
Net cash flows used in financing activities	(6,704,601)	(7,199,474)
Effect of exchange rate changes on cash and cash equivalents	3,556,305	2,390,123
Increase (decrease) in cash and cash equivalents	(55,329,921)	15,730,253
Cash and cash equivalents at beginning of period	83,247,854	67,117,906
Cash and cash equivalents at end of period	\$ 27,917,933	82,848,159

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

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(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 registered address 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 semiconductor 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 record 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’ 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 November 10, 2023.

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

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, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

- (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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group does not expect the following 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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

4. Summary of material accounting policies:

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2022.

A. List of subsidiaries in the consolidated financial statements

The list of subsidiaries is included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	100%	Note 6
Sino-American Silicon Products Inc.	GlobalWafers	Manufacturing and trading of semiconductor silicon materials and components	51.17%	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%	100%	Note 6
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	100%	Note 6
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Power generating business	100%	100%	100%	Note 6
Sino-American Silicon Products Inc.	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	100%	Note 6

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Sino-American Silicon Products Inc.	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	100%	100%	100%	Note 6
Sino-American Silicon Products Inc.	Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	Semiconductor special gas and chemical materials	30.09%	30.09%	30.09%	Note 5 and 6
Sino-American Silicon Products Inc.	Advanced Wireless Semiconductor Company (Advanced Wireless)	Manufacturing and trading of GaAs Wafers	27.62%	27.62%	27.62%	Note 4
SAS Sunrise Inc.	Sulu Electric Power and Light Inc. (Sulu)	Power generating business	40%	40%	40%	Note 1 and 6
SAS Sunrise Inc.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	-	Note 2 and 6
AMLED	Sulu	Power generating business	45%	45%	45%	Note 6
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	100%	Note 6
SAS Capital Co., Ltd. (SSH)	Sustainable Law Energy Solution Co., Ltd. (SHE)	Energy technology service business	51%	-	-	Note 3(7)
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	100%	
GlobalWafers	GlobalWafers Inc. (GWI)	Investment activities	-	-	100%	Note 3(2)
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
GlobalWafers	GWafers Singapore Pte. Ltd. (GWafers Singapore)(Updated its GWafers Singapore to GWS on January 1, 2023)	Investment activities	100%	100%	100%	Note 3(4)
GlobalWafers	Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Power generating business	100%	100%	100%	
GlobalWafers	Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Five)	Power generating business	100%	100%	100%	
GlobalWafers	GWC Capital Co., Ltd (GWCH)	Investment activities	100%	100%	100%	
GlobalWafers	GlobalWafers GmbH (GW GmbH)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
GlobalWafers	GlobalWafers B.V. (GWBV)	Investment activities	100%	100%	-	Note 3(3)
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100%	100%	100%	
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of silicon wafers	100%	100%	100%	
SST	MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Semiconductor silicon wafer R&D, manufacturing and sales	100%	100%	100%	
SST	Kunshan SST Trading Co., Ltd. (KST)	Sales marketing and trading activities	100%	100%	100%	
SST	Shanghai Sawyer Sherkai Technology Material Co., Ltd. (Shanghai Sawyer Shenkai)	Manufacturing and trading of LiTaO3 and LiNbO3 wafers	100%	-	-	Note 3(6)
GWafers Singapore	GlobalWafers Singapore Pte Ltd. (GWS)	Investment holding and trading	-	100%	100%	Note 3(1) and 3(4)
GWS	GWBV	Investment activities	-	-	100%	Note 3(3)
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	100%	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Epitaxial silicon wafer production and trade of epitaxy foundry business	100%	100%	100%	
GWBV	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
GTI	MEMC LLC	Semiconductor silicon wafer R&D, manufacturing and sales	100%	100%	100%	
GTI	GlobalWafers America, LLC (GWA)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
Topsil A/S	Topsil Semiconductor sp z o o. (Topsil PL)	Manufacturing and trading of silicon wafers	-	100%	100%	Note 3(5)

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
SSKT	Yuan Hong Technical Materials Ltd. (MHTM)	Manufacturing and trading of LiTaO3 and LiNbO3 wafers	90%	-	-	Note 3(6)

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) Liquidation procedures of GWI had been completed in November 2022.
- (3) In response to the Group's reorganization plan, GlobalWafers purchased all of GWBV's shares from GWS through the share purchase transaction approved by the Board of Directors on September 1, 2022, and completed the share transaction on November 7, 2022.
- (4) GWafers Singapore and GWS merged as of January 1, 2023, whereby GWafers Singapore absorbed GWS and was renamed to GWS.
- (5) Liquidation procedures of Topsil PL had been completed in June 2023.
- (6) Based on the resolution approved at the board meeting of SST held on February 3, 2023, the Group obtained entire equity interests of SSKT, and had completed the transfer of equity interests on April 23, 2023. In addition, MHTM is a subsidiary of SSKT; therefore, it is merged into the Group..
- (7) SHE was established on July 21, 2023, as a tripartite joint venture between SSH, Principles of Hydropower Deployment Co., LTD. and Bono Investments Ltd..

Note 4: Advanced Wireless' Board of Directors was fully re-elected on June 20, 2022, and the Group obtained the majority of the directors' seats. The Group is the single largest shareholder of the investee, and the remaining voting rights in the investee are widely dispersed. Considering the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained control over Advanced Wireless.

Note 5: Taiwan Specialty Chemicals Corporation' Board of Directors was fully re-elected on August 2022, and the Group obtained the majority of the directors' seats. The Group is the single largest shareholder of the investee, and the remaining voting rights in the investee are widely dispersed. Considering the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained control over Taiwan Specialty Chemicals Corporation

Note 6: The abovementioned subsidiaries are all non-significant subsidiaries, whose financial statements have not been reviewed by independent auditors.

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

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(3) Income tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(4) Employee Benefits

The pension cost in the interim period was calculated and disclosed on a period-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates 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.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2022 consolidated financial statements. Please refer to note 6 to the 2022 annual consolidated financial statements.

(1) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 7,826	12,118	7,595
Demand deposits	16,007,463	45,695,674	20,865,377
Time deposits	11,489,156	37,447,741	61,681,268
Repurchase agreement	<u>413,488</u>	<u>92,321</u>	<u>293,919</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 27,917,933</u>	<u>83,247,854</u>	<u>82,848,159</u>

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group considered liquidity and reclassified time deposits to other financial assets – current, amounting to \$45,755,360 thousand, \$5,194,689 thousand and \$1,100,364 thousand, respectively.

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”)

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Financial assets mandatorily measured at fair value through profit or loss – current:			
Forward exchange contracts	\$ -	<u>32,415</u>	<u>1,754</u>
Financial assets mandatorily measured at fair value through profit or loss – non-current:			
Overseas securities held	\$ 11,265,646	9,145,927	7,452,314
Privately offered funds	<u>187,958</u>	<u>185,793</u>	<u>188,554</u>
	<u>\$ 11,453,604</u>	<u>9,331,720</u>	<u>7,640,868</u>
Financial liabilities mandatorily measured at fair value through profit or loss – current:			
Forward exchange contracts	\$ 27,644	-	21,591
Swap exchange contract	-	1,219	1,403
Derivative instruments – convertible bonds	<u>244,214</u>	<u>-</u>	<u>-</u>
	<u>\$ 271,858</u>	<u>1,219</u>	<u>22,994</u>
Financial liabilities mandatorily measured at fair value through profit or loss – non-current:			
Derivative instruments – convertible bonds	\$ -	<u>466,831</u>	<u>578,080</u>

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).

For the nine months ended September 30, 2023 and 2022, the dividends of \$427,439 thousand and \$388,632 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

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 September 30, 2023, December 31, 2022 and September 30, 2022:

September 30, 2023				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	32,600	USD to EUR	October 26, 2023~ December 28, 2023
December 31, 2022				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	33,500	USD to EUR	January 27, 2023~ March 29, 2023
Swap exchange contract:				
Currency exchange	EUR	3,500	EUR to USD	January 3, 2023~ January 10, 2023
September 30, 2022				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts sold	USD	28,050	USD to EUR	October 27, 2022~ December 29, 2022
Forward exchange contracts sold	USD	2,970	USD to KRW	October 31, 2022
Forward exchange contracts purchased	JPY	154,103	JPY to KRW	October 31, 2022
Forward exchange contracts sold	EUR	369	EUR to KRW	October 31, 2022
Forward exchange swap contracts	EUR	4,740	EUR to NTD	October 17, 2022~ November 2, 2022

For the disclosure of market risk, please refer to note 6(28).

The financial assets mentioned above were not pledged as collateral.

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(3) Financial assets at fair value through other comprehensive income — non-current

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Equity investments at fair value through other comprehensive income:			
Equity investment in foreign entities	\$ 833,775	1,115,001	1,225,302
Equity investment in domestic entities	<u>1,093,611</u>	<u>329,844</u>	<u>204,811</u>
Total	<u>\$ 1,927,386</u>	<u>1,444,845</u>	<u>1,430,113</u>

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.

For the nine months ended September 30, 2023 and 2022, the dividends of \$17,318 thousand and \$15,788 thousand were incurred from investments in financial assets at fair value through other comprehensive income — non current, respectively.

No strategic investments were disposed for the nine months ended September 30, 2023 and 2022, 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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Corporate bonds — Crystalwise Technology Inc.	\$ -	<u>331,609</u>	<u>333,255</u>

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. On September 22, 2022, the Board of Directors resolved to extend the private issued corporate bonds for 6 months. The bond matures on May 2023, and the capital repayments will be made in full.

For the disclosure of credit risk, please refer to note 6(28).

The financial assets mentioned above were not pledged as collateral.

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(5) Notes and accounts receivable, net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 259,333	164,872	194,888
Accounts receivable	10,702,372	11,113,490	11,623,450
Less: Allowance for doubtful accounts	<u>(26,034)</u>	<u>(23,317)</u>	<u>(11,445)</u>
	<u><u>\$ 10,935,671</u></u>	<u><u>11,255,045</u></u>	<u><u>11,806,893</u></u>

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 notes and accounts receivable (including related parties) from solar energy segment was determined as follows:

<u>September 30, 2023</u>			
	<u>Gross amount of notes and accounts receivable</u>	<u>Weighted-average loss rate</u>	<u>Credit loss allowance</u>
Current	\$ 626,376	0%	-
1 to 30 days past due	39,397	0%	-
More than 181 days past due	<u>3,570</u>	100%	<u>3,570</u>
Total	<u><u>\$ 669,343</u></u>		<u><u>3,570</u></u>
<u>December 31, 2022</u>			
	<u>Gross amount of notes and accounts receivable</u>	<u>Weighted-average loss rate</u>	<u>Credit loss allowance</u>
Current	\$ 905,528	0%	-
1 to 30 days past due	114,199	0%	-
More than 181 days past due	<u>4,197</u>	100%	<u>4,197</u>
Total	<u><u>\$ 1,023,924</u></u>		<u><u>4,197</u></u>
<u>September 30, 2022</u>			
	<u>Gross amount of notes and accounts receivable</u>	<u>Weighted-average loss rate</u>	<u>Credit loss allowance</u>
Current	\$ 1,305,915	0%	-
1 to 30 days past due	139,034	0%	-
More than 181 days past due	<u>3,916</u>	100%	<u>3,916</u>
Total	<u><u>\$ 1,448,865</u></u>		<u><u>3,916</u></u>

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

The loss allowance provision of notes and accounts receivable (including related parties) from semiconductor segment was determined as follows:

	September 30, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,053,370	0%	-
1 to 30 days past due	258,610	0%	-
31 to 60 days past due	36,079	6%	2,096
61 to 90 days past due	11,443	12%	1,406
91 to 120 days past due	676	50%	338
More than 181 days past due	18,624	100%	18,624
Total	\$ 10,378,802		22,464
	December 31, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,055,281	0%	-
1 to 30 days past due	226,020	0%	-
31 to 60 days past due	12,273	0%	36
61 to 90 days past due	25,002	21%	5,335
91 to 120 days past due	4,353	99%	4,324
More than 181 days past due	9,425	100%	9,425
Total	\$ 10,332,354		19,120
	September 30, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,233,096	0%	-
1 to 30 days past due	165,576	0%	-
31 to 60 days past due	12,198	13%	97
61 to 90 days past due	3,228	0%	-
121 to 150 days past due	2,657	25%	664
More than 181 days past due	6,768	100%	6,768
Total	\$ 10,423,523		7,529

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

The movement of the credit loss allowance for notes and accounts receivable (including related parties) was as follows:

	For the nine months ended September 30,	
	2023	2022
Balance on January 1	\$ 23,317	11,275
Expected credit loss recognized	20,067	180
Current period amount to be written off which was considered uncollectible	(20,477)	-
Acquired through acquisition	2,710	-
Foreign exchange gains (losses)	417	(10)
Balance on September 30	\$ 26,034	11,445

The Group's notes and accounts receivable were not pledged as collateral.

(6) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 3,024,138	2,559,516	2,266,353
Work in progress	3,173,928	3,000,636	2,700,548
Raw materials	4,715,267	5,229,428	5,150,141
	\$ 10,913,333	10,789,580	10,117,042

Components of operating costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Cost of goods sold	\$ 12,969,648	13,042,428	39,123,233	36,345,697
Recognition (reversal) of provisions for inventory valuation loss	(73,645)	3,244	83,590	(22,436)
Unallocated fixed manufacturing expense	206,786	127,939	715,445	317,959
Reversal of provision loss	(59,845)	(81,503)	(222,039)	(236,042)
	\$ 13,042,944	13,092,108	39,700,229	36,405,178

The Group's inventories mentioned above were not pledged as collateral.

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(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		
			September 30, 2023	December 31, 2022	September 30, 2022
Actron Technology Corporation (Actron)	Mainly engages in the manufacturing of electronic component	Taiwan	24.58%	22.75%	22.75%
Crystalwise Technology Inc. (Crystalwise)	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material	Taiwan	31.61%	31.61%	31.60%
Hongwang Investment Co., Ltd. (Hongwang)	The main business is general trading	Taiwan	30.98%	30.98%	30.98%
Accu Solar Corporation (ASC)	The main business is providing solar modules	Taiwan	24.70%	24.70%	24.70%

A summary of financial information for investments accounted for using equity method that are individually insignificant at the reporting date was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of individually insignificant associates' equity	\$ <u>3,260,883</u>	<u>2,507,749</u>	<u>2,410,220</u>

A summary of financial information for investments accounted for using equity method that are individually insignificant at the reporting date was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Attributable to the Group:				
Net income	\$ 86,213	73,949	216,236	135,804
Other comprehensive income	<u>(109,764)</u>	<u>(111,247)</u>	<u>167,530</u>	<u>(1,036,687)</u>
Total comprehensive income	<u>\$ (23,551)</u>	<u>(37,298)</u>	<u>383,766</u>	<u>(900,883)</u>

A. Collateral

The Group did not provide any investment accounted for using equity method as collateral for its loans.

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B. The unreviewed financial statements of investments accounted for using equity method

Except for Crystalwise, Actron, Hongwang, investments accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(8) Business combination

A. Acquiring SSKT as a subsidiary

(a) Considerations transferred to acquire a subsidiary

On April 23, 2023, the Group acquired 100% of the shares and voting interests in SSKT, a manufacturer and distributor of lithium tantalate and lithium niobate wafers. As a result, the Group obtained control of SSKT. The Group aims to deepen its business presence into 5G and satellite communication industries through the acquisition of SSKT.

The Group acquired 100% shares of SSKT for RMB100,000 thousand (\$443,300 thousand).

The fair values of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

Cash and cash equivalents	\$	6,860
Notes and accounts receivable, net		105,560
Inventories		73,246
Other current assets		14,958
Property, plant and equipment, net		309,691
Intangible assets		33,360
Other non-current assets		6,461
Short-term borrowings		(15,347)
Notes and accounts payable		(81,363)
Other current liabilities		(36,117)
	\$	<u>417,309</u>

Goodwill arising from the business acquisitions was determined as follows:

Considerations transferred	\$	443,300
Add: Non-controlling interests (measured by the ratio of identifiable net assets to non-controlling interests)		6,588
Less: The fair value of identifiable net assets		<u>(417,309)</u>
Goodwill	\$	<u>32,579</u>

- (b) As of September 30, 2023 SSKT contributed revenue of \$74,542 thousand and loss of \$(33,134) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased \$114,497 thousand, and consolidated profit for the nine month period would have increased \$(12,736) thousand.

Sino-American Silicon Products Inc. and subsidiaries
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B. Acquiring Advanced Wireless as a subsidiary

(a) Considerations transferred to acquire a subsidiary

The Group had acquired total of 27.14% of the common shares of Advanced Wireless and is the single largest shareholder of the investee. Advanced Wireless' Board of Directors was fully re-elected on June 20, 2022, and the Group obtained the majority of the directors' seats. The Group is the single largest shareholder of the investee, and the remaining voting rights in the investee are widely dispersed. Considering the Group's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained the control over the investee and included it 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 the recognized goodwill are as follows:

The details of the identifiable assets and liabilities assumed of Advanced Wireless on June 20, 2022 (the date when control was obtained) are as follows:

Considerations transferred	\$	-
Add: The fair value of the original equity of the acquiree		3,881,588
Non-controlling interests (measured by the ratio of identifiable net assets to non-controlling interests)		8,959,385
Less: The fair value of identifiable net assets		
Cash and cash equivalents	\$	2,508,530
Notes and accounts receivable, net		277,369
Financial assets at fair value through profit or loss		33,413
Inventories		492,875
Prepayment		203,590
Other current assets and other financial assets		17,714
Property, plant and equipment, net		5,365,441
Intangible assets – patent right		717,900
Intangible assets – knowledge technology		742,200
Intangible assets – customer relationships		2,243,400
Intangible assets		15,596
Right-of use assets		91,290
Prepayment of equipment		175,253
Other non-current assets and other financial assts – non-current		11,341
Accounts payable		(140,988)
Contract liabilities – current		(59,255)
Other payables		(283,388)
Other current liabilities		(14,779)
Other non-current liabilities		(99,970)
		<u>12,297,532</u>
Goodwill	\$	<u><u>543,441</u></u>

Sino-American Silicon Products Inc. and subsidiaries
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The Group recognized a gain or loss on disposal of \$23,282 thousand for remeasuring the fair value of 27.14% interest in Advanced Wireless held prior to the acquisition date, which was recorded as other gains and losses (note 6(26)).

(c) Intangible assets

Intangible assets-patent rights, knowledge technology and customer relationships are amortized on the straight-line method based on its economic benefit life of 8.5, 11.5 and 16.5 years, respectively.

Goodwill mainly comes from profitability, future market development and employee value of Advanced Wireless. Goodwill is expected to have no income tax effect.

(d) Pro forma of operating results

Since June 20, 2022, the operating results of Advanced Wireless have been merged into the consolidated comprehensive income statement of the Group. The net operating revenues and net profit after tax contributed are \$658,596 thousand and \$(55,673) thousand, respectively. If it is assumed that the acquisition date occurred on January 1, 2022, the pro forma net operating revenues and net profit after tax of the Group from January 1 to September 31, 2022 will increase by \$1,789,665 thousand and \$11,471 thousand, respectively.

(e) Change in ownership interest in subsidiaries did not result in loss of control

In July 2022, the Group acquired additional shares of Advanced Wireless for a consideration of \$66,839 thousand, which increased the Group's equity in Advanced Wireless to 27.62%. Please refer to Note 4(2) for the changes in the related shareholding ratio.

The effect of the change in the Group's ownership interest in the subsidiary on the equity attributable to the parent company was capital surplus the difference between the actual acquisition or disposal price of the subsidiary's shares and the book value of \$9,899 thousand.

(9) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiary	Main business place / company registered country	% of ownership interests under non-controlling interests as well as the voting rights		
		September 30, 2023	December 31, 2022	September 30, 2022
GlobalWafers	Taiwan	48.83 %	48.83 %	48.83 %
Advanced Wireless	Taiwan	72.38 %	72.38 %	72.38 %

Sino-American Silicon Products Inc. and subsidiaries
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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.

A. The following summarizes the financial information of GlobalWafers:

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 96,015,768	109,597,731	105,380,291
Non-current assets	86,427,621	59,898,247	52,854,932
Current liabilities	(64,610,762)	(35,793,648)	(29,767,012)
Non-current liabilities	<u>(51,645,008)</u>	<u>(79,378,325)</u>	<u>(78,377,654)</u>
Net assets	<u>\$ 66,187,619</u>	<u>54,324,005</u>	<u>50,090,557</u>
Net assets attributable to non-controlling interests	<u>\$ 32,322,156</u>	<u>26,526,412</u>	<u>24,459,219</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Sales revenue	<u>\$ 17,375,910</u>	<u>18,052,791</u>	<u>53,888,324</u>	<u>51,899,099</u>
Net income	\$ 5,538,490	5,111,138	15,327,633	9,573,043
Other comprehensive income	<u>1,604,653</u>	<u>90,459</u>	<u>664,142</u>	<u>(1,632,099)</u>
Net profit attributable to non-controlling interests	<u>\$ 7,143,143</u>	<u>5,201,597</u>	<u>15,991,775</u>	<u>7,940,944</u>
Net income, attributable to non-controlling interests	<u>\$ 2,703,614</u>	<u>2,495,769</u>	<u>7,483,870</u>	<u>4,674,517</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 3,487,046</u>	<u>2,539,940</u>	<u>7,808,154</u>	<u>3,877,563</u>
Net cash flows from operating activities			\$ 12,659,827	26,480,261
Net cash flows used in investing activities			(64,633,470)	(7,310,249)
Net cash flows used in financing activities			(6,812,949)	(7,291,855)
Effects of changes in foreign exchange rates			<u>3,558,426</u>	<u>2,391,219</u>
Net increase (decrease) in cash and cash equivalents			<u>\$ (55,228,166)</u>	<u>14,269,376</u>

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B. The following summarizes the financial information of Advanced Wireless:

	September 30,	December 31,	September 30,
	2023	2022	2022
Current assets	\$ 3,163,667	2,689,541	2,833,814
Non-current assets	5,225,251	5,214,027	5,140,682
Current liabilities	(659,973)	(408,343)	(403,297)
Non-current liabilities	(399,160)	(96,998)	(98,487)
Net assets	<u>\$ 7,329,785</u>	<u>7,398,227</u>	<u>7,472,712</u>
Net assets attributable to non-controlling interests	<u>\$ 5,305,298</u>	<u>5,354,837</u>	<u>5,408,749</u>

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Sales revenue	<u>\$ 784,488</u>	<u>590,683</u>	<u>1,653,402</u>	<u>1,789,665</u>
Net income	<u>\$ 124,044</u>	<u>13,724</u>	<u>(69,605)</u>	<u>88,197</u>
Net profit attributable to non-controlling interests	<u>\$ 124,044</u>	<u>13,724</u>	<u>(69,605)</u>	<u>88,197</u>
Net income, attributable to non-controlling interests	<u>\$ 89,783</u>	<u>9,933</u>	<u>(50,380)</u>	Note 1
Comprehensive income, attributable to non-controlling interests	<u>\$ 89,783</u>	<u>9,933</u>	<u>(50,380)</u>	Note 1

Note 1: Advanced Wireless's Board of Directors was fully re-elected on June 20, 2022, the Company obtained control over Advanced Wireless, transformed from an associate to a subsidiary.

	For the nine months ended	
	September 30,	
	2023	2022
Net cash flows from operating activities	\$ 192,459	315,814
Net cash flows used in investing activities	(372,964)	(917,481)
Net cash flows from used in financing activities	316,733	(554,600)
Net decrease in cash and cash equivalents	<u>\$ 136,228</u>	<u>(1,156,267)</u>

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(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:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment awaiting inspection</u>	<u>Total</u>
Cost:						
Balance at January 1, 2023	\$ 4,075,968	21,157,254	54,827,539	10,996,666	9,096,604	100,154,031
Acquisition in business combination	-	-	392,994	29,846	7,163	430,003
Additions	15,966	23,315	94,966	800,785	26,581,398	27,516,430
Disposals	-	(56,106)	(924,725)	(256,880)	(20,350)	(1,258,061)
Reclassification and transfer	8,564	4,700,238	4,285,204	600,566	(9,472,425)	122,147
Effect of changes in exchange rates	(58,189)	(451,201)	(1,698,966)	93,261	495,523	(1,619,572)
Balance at September 30, 2023	<u>\$ 4,042,309</u>	<u>25,373,500</u>	<u>56,977,012</u>	<u>12,264,244</u>	<u>26,687,913</u>	<u>125,344,978</u>
Balance at January 1, 2022	\$ 3,842,571	19,586,597	44,302,218	9,146,410	3,776,143	80,653,939
Acquisition in business combination	-	757,629	4,973,813	291,887	2,793,952	8,817,281
Additions	-	19,026	646,962	688,009	5,158,712	6,512,709
Disposals	-	(41,025)	(1,792,692)	(82,403)	(7,929)	(1,924,049)
Reclassification and transfer	10,485	177,505	3,782,154	221,004	(4,382,274)	(191,126)
Effect of changes in exchange rates	(76,194)	(191,288)	(2,079,014)	328,296	24,434	(1,993,766)
Balance at September 30, 2022	<u>\$ 3,776,862</u>	<u>20,308,444</u>	<u>49,833,441</u>	<u>10,593,203</u>	<u>7,363,038</u>	<u>91,874,988</u>
Depreciation and impairment loss:						
Balance at January 1, 2023	\$ -	10,530,885	32,490,225	5,215,953	51,006	48,288,069
Acquisition in business combination	-	-	98,739	21,573	-	120,312
Depreciation for the period	-	624,340	4,620,852	640,772	-	5,885,964
Disposals	-	(53,608)	(890,560)	(244,139)	-	(1,188,307)
Reclassification and transfer	-	10	560	(17,820)	(12,140)	(29,390)
Effect of changes in exchange rates	-	(275,293)	(1,416,151)	9,767	1,974	(1,679,703)
Balance at September 30, 2023	<u>\$ -</u>	<u>10,826,334</u>	<u>34,903,665</u>	<u>5,626,106</u>	<u>40,840</u>	<u>51,396,945</u>
Balance at January 1, 2022	\$ -	9,687,568	26,362,424	4,163,335	12,140	40,225,467
Acquisition in business combination	-	60,614	3,139,764	251,462	-	3,451,840
Depreciation for the period	-	596,391	3,706,074	556,372	-	4,858,837
Disposals	-	(33,386)	(1,789,218)	(81,770)	-	(1,904,374)
Reclassification and transfer	-	812	(296)	(2,202)	-	(1,686)
Effect of changes in exchange rates	-	(227,283)	(1,711,571)	74,250	-	(1,864,604)
Balance at September 30, 2022	<u>\$ -</u>	<u>10,084,716</u>	<u>29,707,177</u>	<u>4,961,447</u>	<u>12,140</u>	<u>44,765,480</u>
Carrying amounts:						
Balance at January 1, 2023	<u>\$ 4,075,968</u>	<u>10,626,369</u>	<u>22,337,314</u>	<u>5,780,713</u>	<u>9,045,598</u>	<u>51,865,962</u>
Balance at September 30, 2023	<u>\$ 4,042,309</u>	<u>14,547,166</u>	<u>22,073,347</u>	<u>6,638,138</u>	<u>26,647,073</u>	<u>73,948,033</u>
Balance at January 1, 2022	<u>\$ 3,842,571</u>	<u>9,899,029</u>	<u>17,939,794</u>	<u>4,983,075</u>	<u>3,764,003</u>	<u>40,428,472</u>
Balance at September 30, 2022	<u>\$ 3,776,862</u>	<u>10,223,728</u>	<u>20,126,264</u>	<u>5,631,756</u>	<u>7,350,898</u>	<u>47,109,508</u>

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B. 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.

C. Property, plant and equipment construction in progress

For the Group's expansion plan, the total amount of expenditures incurred but the construction has not yet been completed is \$26,647,073 thousand.

(11) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amount:					
Balance at January 1, 2023	\$ <u>623,144</u>	<u>117,958</u>	<u>112</u>	<u>74,748</u>	<u>815,962</u>
Balance at September 30, 2023	\$ <u>584,671</u>	<u>101,835</u>	<u>-</u>	<u>480,654</u>	<u>1,167,160</u>
Balance at January 1, 2022	\$ <u>583,223</u>	<u>148,834</u>	<u>243</u>	<u>112,928</u>	<u>845,228</u>
Balance at September 30, 2022	\$ <u>635,060</u>	<u>124,666</u>	<u>156</u>	<u>58,022</u>	<u>817,904</u>

The leased assets recognized by the Group, such as land, buildings machinery and equipment did not have significant additions, impairment or reversals during the period from for the nine months ended September 30, 2023 and 2022. For further information, please refer to note 6(11) of the consolidated financial statements for the year ended 2022.

(12) Intangible assets

The movements of cost and amortization of the intangible assets of the Group were as follows:

	<u>Goodwill</u>	<u>Patents, expertise and trademarks</u>	<u>Development costs</u>	<u>Customer relationship and knowledge technology</u>	<u>Computer software</u>	<u>Total</u>
Cost:						
Balance at January 1, 2023	\$ 3,021,845	2,980,488	283,615	2,985,600	146,204	9,417,752
Acquisition in business combination	32,579	33,362	-	-	-	65,941
Additions	-	-	-	-	10,062	10,062
Reclassification	-	-	-	-	34	34
Disposals	-	-	-	-	(18,884)	(18,884)
Effect of changes in exchange rates	<u>36,933</u>	<u>6,760</u>	<u>11,584</u>	<u>-</u>	<u>4,287</u>	<u>59,564</u>
Balance at September 30, 2023	\$ <u>3,091,357</u>	<u>3,020,610</u>	<u>295,199</u>	<u>2,985,600</u>	<u>141,703</u>	<u>9,534,469</u>

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	<u>Goodwill</u>	<u>Patents, expertise and trademarks</u>	<u>Development costs</u>	<u>Customer relationship and knowledge technology</u>	<u>Computer software</u>	<u>Total</u>
Balance at January 1, 2022	\$ 2,285,772	2,249,195	272,823	-	75,178	4,882,968
Acquisition in business combination	543,441	1,460,100	-	2,243,400	30,309	4,277,250
Additions	-	-	-	-	15,100	15,100
Reclassification	-	-	-	-	864	864
Disposals	-	-	-	-	(70)	(70)
Effect of changes in exchange rates	182,107	17,989	(4,836)	-	10,555	205,815
Balance at September 30, 2022	<u>\$ 3,011,320</u>	<u>3,727,284</u>	<u>267,987</u>	<u>2,243,400</u>	<u>131,936</u>	<u>9,381,927</u>
Amortization:						
Balance at January 1, 2023	\$ -	1,869,818	225,227	100,251	97,876	2,293,172
Acquisition in business combination	-	2	-	-	-	2
Amortization for the period	-	99,389	9,363	150,377	16,231	275,360
Disposals	-	-	-	-	(18,884)	(18,884)
Effect of changes in exchange rates	-	6,908	9,379	-	3,747	20,034
Balance at September 30, 2023	<u>\$ -</u>	<u>1,976,117</u>	<u>243,969</u>	<u>250,628</u>	<u>98,970</u>	<u>2,569,684</u>
Balance as of January 1, 2022	\$ -	1,589,132	204,180	-	64,307	1,857,619
Acquisition in business combination	-	-	-	-	14,713	14,713
Amortization for the period	-	206,046	9,238	33,991	7,265	256,540
Reclassification	-	-	-	-	(70)	(70)
Effect of changes in exchange rates	-	17,989	(3,665)	-	9,457	23,781
Balance at September 30, 2022	<u>\$ -</u>	<u>1,813,167</u>	<u>209,753</u>	<u>33,991</u>	<u>95,672</u>	<u>2,152,583</u>
Carrying amounts:						
Balance at January 1, 2023	<u>\$ 3,021,845</u>	<u>1,110,670</u>	<u>58,388</u>	<u>2,885,349</u>	<u>48,328</u>	<u>7,124,580</u>
Balance at September 30, 2023	<u>\$ 3,091,357</u>	<u>1,044,493</u>	<u>51,230</u>	<u>2,734,972</u>	<u>42,733</u>	<u>6,964,785</u>
Balance at January 1, 2022	<u>\$ 2,285,772</u>	<u>660,063</u>	<u>68,643</u>	<u>-</u>	<u>10,871</u>	<u>3,025,349</u>
Balance at September 30, 2022	<u>\$ 3,011,320</u>	<u>1,914,117</u>	<u>58,234</u>	<u>2,209,409</u>	<u>36,264</u>	<u>7,229,344</u>

(13) Other assets — current and non-current

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Prepayment of materials	\$ 1,090,526	1,166,814	1,566,555
Tax refunds and credits	1,187,329	775,112	656,800
Prepayment of equipment	4,624,671	3,544,427	2,488,918
Others	768,147	899,498	1,025,149
	<u>\$ 7,670,673</u>	<u>6,385,851</u>	<u>5,737,422</u>

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(14) Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	\$ 24,010,544	9,796,000	9,454,000
Unused credit lines	\$ 69,049,344	50,900,688	47,620,825
Range of interest rates at the end of period	1.45%~6.10%	1.24%~1.99%	0.20%~1.41%

Please refer to note 8 for details of the related assets pledged as collateral.

(15) Long-term borrowings

The details of long-term borrowings were as follows:

September 30, 2023				
	Currency	Interest	Maturity	Amount
Unsecured borrowings	JPY	0.10%~0.28%	2026.01~2026.03	\$ 4,235,574
Unsecured borrowings	USD	6.33%	2029.12	828,210
Unsecured borrowings	NTD	1.195%~1.33%	2028.05	320,000
Less: current portion				(1,175,549)
Total				\$ 4,208,235

December 31, 2022				
	Currency	Interest	Maturity	Amount
Unsecured borrowings	USD	5.22%	2029.12	\$ 903,641
Less: current portion				(35,316)
Total				\$ 868,325

September 30, 2022				
	Currency	Interest	Maturity	Amount
Unsecured borrowings	NTD	3.7231%	2029.12	\$ 969,169
Less: current portion				(36,513)
Total				\$ 932,656

	September 30, 2023	December 31, 2022	September 30, 2022
Unused credit lines	\$ 1,180,000	2,324,000	-

Please refer to note 8 for details of the related assets pledged as collateral.

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(16) Bonds payable

The details of bonds payable were as follow:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Unsecured corporate bonds	\$ 18,990,115	18,986,110	18,984,775
Unsecured convertible bonds	6,627,148	23,793,835	24,835,702
Less: current portion	<u>(13,724,914)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,892,349</u>	<u>42,779,945</u>	<u>43,820,477</u>

- A. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first unsecured ordinary bonds for the year ended December 31, 2021, and issued through the Taipei Fubon Commercial Bank Co., Ltd. on May 11, 2021. The Group issued the five year unsecured ordinary bonds, amounting to \$6,500,000 thousand and the coupon rate is consistent with a fixed rate of 0.62% and with the maturity date on May 11, 2026.
- B. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the second unsecured ordinary bonds for the year ended December 31, 2021, and issued through the Taipei Fubon Commercial Bank Co., Ltd. on August 19, 2021. The Group issued the three year and five year unsecured ordinary bonds, amounting to \$12,500,000 thousand, which were divided into A and B bonds, depending on the different issuance conditions. The issuance amounts were \$7,100,000 thousand and \$5,400,000 thousand, respectively, with coupon rate 0.5% and 0.6%, and the maturity dates were August 19, 2024 and August 19, 2026, respectively.
- C. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first unsecured overseas convertible bonds on the Singapore Exchange Limited, which had been approved by the Financial Supervisory Commission with approval No.1100342091 on May 19, 2021. The Group issued the five year unsecured convertible bond, amounting to US\$1,000,000 thousand without coupon rate, with the maturity date on June 1, 2026.

The details of unsecured convertible bonds were as follow:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Total convertible bonds issued	\$ 6,841,854	24,787,249	25,950,530
Unamortized discounted convertible bonds payable	(214,706)	(993,414)	(1,114,828)
Cumulative converted amount	<u>-</u>	<u>-</u>	<u>-</u>
Convertible bonds balance at period end	<u>\$ 6,627,148</u>	<u>23,793,835</u>	<u>24,835,702</u>
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	<u>\$ 244,214</u>	<u>466,831</u>	<u>578,080</u>

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	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Embedded derivatives – gains and losses re-measurement of buy back rights and sell back rights based on (listed on other gains and losses)	<u>\$ (53,807)</u>	<u>499,251</u>	<u>23,313</u>	<u>(466,504)</u>
Interest expense	<u>\$ 22,846</u>	<u>76,011</u>	<u>142,761</u>	<u>232,967</u>

The convertible bonds may be redeemed in advance by the Group from the day following the third anniversary of the issuance until the maturity date. If the closing price of GlobalWafers' common stock reaches 130% of the amount obtained by multiplying the amount of early redemption by the conversion price and dividing it by the face value for twenty trading days out of thirty consecutive business days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance, the Group may redeem the amount in advance and redeem all or part of the convertible bonds.

Except for the early redemption, redemption and cancellation or conversion of the convertible bonds, the holders may request the Group to redeem entire or part of the convertible bonds according to the early redemption amount on the day of June 1, 2024. So, on June 1, 2023, the overseas unsecured convertible bonds were reclassified to current liabilities.

Except for early redemptions, repurchases and cancellations, exercise of conversion rights by the bondholders, statutory requirements and the cessation of transfer period as otherwise provided in the Trust Deed, from the day following the three months after the issuance of the bonds to (1) ten days before the maturity date or (2) the fifth business day prior to the date of early redemption of the bonds (hereinafter referred to as the "conversion period"), the bondholders may request the issuing company to convert the bonds into shares of common stock newly issued by the issuing company in accordance with the provisions of the relevant laws and the Trust Deed.

The conversion price was 140% of the closing price of GlobalWafers' common shares on the Taipei Exchange on the pricing date, which was \$1,040.20. The number of common shares to be delivered upon conversion of any bond will be determined by the principal amount of the bonds multiplied by the fixed exchange rate, which is NT\$27.912 to US\$1, which was determined on the pricing date and divided by the conversion price in effect on the date of conversion. After the issuance of the bonds, the conversion price shall be adjusted in accordance with the relevant antidilution provisions of the contract. However, due to the distribution of cash dividends by GlobalWafers, the conversion prices of the bonds have been adjusted from NT\$1,040.20 to NT\$1,028.46, NT\$1,028.46 to NT\$1,018.54, NT\$1,018.54 to NT\$1,003.09, and NT\$1,003.09 to NT\$988.86 on July 22, 2021, January 13, 2022, July 19, 2022, and January 12, 2023 respectively, the days after the exdividend base dates, in accordance with the aforementioned provisions. As of September 30, 2023, the adjustment to the conversion price of the bonds had been executed five times.

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The above-mentioned convertible bonds included liabilities and equity components. The equity component was recognized as the capital surplus. The effective interest rate originally recognized for the liability component was 1.2%.

GlobalWafers redeemed the first unsecured overseas convertible bonds of US\$651,000 thousand and \$58,600 thousand in nine months ended September 30, 2023 and 2022, resulting in the invalid conversion right of \$1,108,959 thousand and \$99,823 thousand to be reclassified from capital surplus – share options to capital surplus – others. As of September 30, 2023, December 31, 2022 and September 30, 2022, the balance of GlobalWafers first unsecured overseas convertible bonds amounted to US\$248,200 thousand, US\$899,200 thousand and US\$941,400 thousand, respectively.

(17) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current (recognized under other current liabilities)	\$ <u>189,557</u>	<u>119,228</u>	<u>116,298</u>
Non-current (recognized under other non-current liabilities)	\$ <u>990,551</u>	<u>705,800</u>	<u>708,853</u>

For the maturity analysis, please refer to note 6(28) “Financial instruments”.

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	\$ <u>4,930</u>	<u>2,602</u>	<u>14,356</u>	<u>7,416</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>3,874</u>	<u>1,602</u>	<u>7,104</u>	<u>3,203</u>
Expenses relating to short-term leases	\$ <u>3,241</u>	<u>6,117</u>	<u>18,360</u>	<u>18,339</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ <u>2,961</u>	<u>3,146</u>	<u>8,119</u>	<u>7,273</u>

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The amounts recognized in the statement of cash flows were as follows:

	For the nine months ended September 30,	
	2023	2022
Total cash outflow for leases	\$ 190,979	178,270

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.

(18) 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, 2023	\$ 59,888	3,583,065	121,055	3,764,008
Balance of September 30, 2023	\$ 61,979	3,361,027	100,152	3,523,158
Balance of January 1, 2022	\$ 68,325	3,900,040	9,936	3,978,301
Balance of September 30, 2022	\$ 67,478	3,663,999	12,037	3,743,514

There were not significant changes in the consolidated company's provision for liabilities during the nine months ended September 30, 2023 and 2022. For relevant information, please refer to Notes 6(18) of the consolidated financial statement for the fiscal year 2022.

(19) Employee benefits

A. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

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The expenses reported by the consolidated company for the for the three months and the nine months ended September 30, 2023 and 2022 were \$68,883 thousand, \$77,714 thousand, \$203,804 and \$247,114 thousand, respectively.

B. Defined contribution plans

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were \$30,088 thousand, \$31,110 thousand, \$92,102 thousand and \$78,286 thousand for the three month and the nine months ended September 30, 2023 and 2022, 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 \$87,115 thousand, \$73,894 thousand, \$250,980 thousand and \$215,211 thousand for its overseas subsidiaries three month and the nine months ended September 30, 2023 and 2022, respectively.

(20) Income tax

The income tax expense of the Group is calculated by the profit before tax of interim reporting period multiply by the best estimated measurement of the expected effective tax rate by the management in all the year.

A. The detailed income tax expense (benefit) of the consolidated company is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Current income tax expense (benefit)	\$ 1,608,063	1,893,225	5,490,464	1,733,681

B. The detailed income tax expense (benefit) recognized in other comprehensive income of the consolidated company is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Current income tax expense (benefit) Not reclassified to profit or loss items:				
Unrealized gains or losses on equity investments measured at fair value through other comprehensive income	\$ (32,436)	-	(85,100)	-

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	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Subsequent items that may be reclassified to profit or loss:				
Exchange differences on the translation of financial statements foreign operations	\$ 392,140	62,507	153,386	(180,532)

C. Income tax assessment status

The Company's income tax returns for the years through 2021 have been examined and approved by the R.O.C. income tax authorities.

(21) Capital and other equity

Apart from the following, there were no significant changes in the capital and other equity of the consolidated company during the period from January 1 to September 30, 2023 and 2022. For further information, please refer to Note 6(21) of the consolidated financial statements for fiscal year 2022.

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 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:

	September 30,	December 31,	September 30,
	2023	2022	2022
Additional paid in capital	\$ 7,195,673	7,195,673	7,682,237
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	1,298,908	1,447,251	1,447,251
Capital surplus recognized under the equity method	7,587,497	7,561,496	7,561,496
Treasury stock transactions	33,314	33,314	33,314
Employee stock options	608,909	608,429	608,429
	\$ 16,724,301	16,846,163	17,332,727

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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.

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of \$486,564 thousand (\$0.8300 per share) and \$614,243 thousand (\$1.0478 per share), respectively, were approved during the shareholders' meeting held on December 8, 2022 and May 5, 2022.

C. Earnings distribution and dividend policy

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.

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On May 5, 2023 and December 8, 2022, the Company's Board of Directors resolved to distribute the year and first half of 2022 earnings. The earnings were appropriated as follows:

	2022	
	Dividends per share (NT dollar)	Amount
Dividends distributed to ordinary shareholders:		
Appropriation of the first half of earnings	\$ 2.37	1,389,345
Appropriation of the annual earnings	5.80	3,400,086
Total	\$ 8.17	4,789,431

On May 5, 2022 and December 9, 2021, the Board of Directors resolved to distribute for the year and first half of 2021 earnings, respectively.

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
Appropriation of the annual earnings	3.4522	2,023,754
Total	\$ 3.5589	2,086,304

The above-mentioned information is available on the Market Observation Post System website.

D. 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	Other	Total
Balance at January 1, 2023	\$ (4,616,247)	(1,354,989)	(2,761)	(5,973,997)
Exchange differences on translation of net assets of foreign operations	268,136	-	-	268,136
Exchange differences of associates accounted for using equity method	158	-	-	158
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(187,154)	-	(187,154)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	101,065	-	101,065
Balance at September 30, 2023	\$ (4,347,953)	(1,441,078)	(2,761)	(5,791,792)

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	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instruments measured at fair value through other comprehensive income	Other	Total
Balance at January 1, 2022	\$ (4,905,534)	(527,417)	(6,056)	(5,439,007)
Exchange differences on translation of net assets of foreign operations	(277,147)	-	-	(277,147)
Exchange differences of associates accounting for using equity method	4,320	-	-	4,320
Compensation cost of restricted stock awards of associates accounted for using equity method	-	-	3,295	3,295
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(222,680)	-	(222,680)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	(643,166)	-	(643,166)
Balance at September 30, 2022	<u>\$ (5,178,361)</u>	<u>(1,393,263)</u>	<u>(2,761)</u>	<u>(6,574,385)</u>

(22) Earnings per Share

A. Basic earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Net income attributable to the shareholders of the Company	<u>\$ 2,693,735</u>	<u>3,094,636</u>	<u>7,595,396</u>	<u>6,180,774</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>586,222</u>	<u>586,222</u>	<u>586,222</u>	<u>586,222</u>
Basic earnings per share (NT dollar)	<u>\$ 4.60</u>	<u>5.28</u>	<u>12.96</u>	<u>10.54</u>

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B. Diluted earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Net income attributable to the shareholders of the Company	\$ 2,693,735	3,094,636	7,595,396	6,180,774
Weighted average number of ordinary shares outstanding (in thousands of shares)	586,222	586,222	586,222	586,222
Effect of dilutive potential ordinary shares (in thousands of shares)	1,102	346	4,117	2,571
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	587,324	586,568	590,339	588,793
Diluted earnings per share (NT dollar)	\$ 4.59	5.28	12.87	10.50

(23) Revenue from contracts with customers

A. Details of revenues

	For the three months ended September 30,					
	2023			2022		
	Semiconductor Segment	Solar energy Segment and other	Total	Semiconductor Segment	Solar energy Segment and other	Total
Primary geographical markets:						
Taiwan	\$ 3,731,511	724,313	4,455,824	3,593,856	1,408,957	5,002,813
Northeast Asia (Japan and Korea)	4,100,238	1,692	4,101,930	5,032,943	1,183	5,034,126
Asia-other	4,120,252	78,695	4,198,947	4,222,293	560,937	4,783,230
America	2,569,566	355,001	2,924,567	2,295,474	699,242	2,994,716
Europe	3,417,137	248,883	3,666,020	3,298,057	328,139	3,626,196
Other areas	113,852	140,245	254,097	100,839	84,462	185,301
	\$ 18,052,556	1,548,829	19,601,385	18,543,462	3,082,920	21,626,382

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For the three months ended September 30,						
2023			2022			
	Semiconductor Segment	Solar energy Segment and other	Total	Semiconductor or Segment	Solar energy Segment and other	Total
Major product categories:						
Semiconductor wafers	\$ 17,656,514	7,282	17,663,796	18,223,595	9,699	18,233,294
Solar cell	-	475,106	475,106	-	932,779	932,779
Solar module	-	279,156	279,156	-	299,060	299,060
Solar ingot	-	233,250	233,250	-	748,621	748,621
Semiconductor ingot	310,316	954	311,270	279,639	273	279,912
Solar wafer	-	72,208	72,208	-	67,804	67,804
Others	85,726	480,873	566,599	40,228	1,024,684	1,064,912
	\$ 18,052,556	1,548,829	19,601,385	18,543,462	3,082,920	21,626,382
For the nine months ended September 30,						
2023			2022			
	Semiconductor Segment	Solar energy Segment and other	Total	Semiconductor Segment	Solar energy Segment and other	Total
Primary geographical markets:						
Taiwan	\$ 10,609,227	2,277,818	12,887,045	9,782,563	3,819,606	13,602,169
Northeast Asia (Japan and Korea)	13,425,437	20,312	13,445,749	15,091,191	153,581	15,244,772
Asia-other	13,070,633	451,853	13,522,486	11,535,065	1,042,022	12,577,087
America	6,958,110	1,315,024	8,273,134	6,612,022	1,991,446	8,603,468
Europe	10,813,212	1,117,187	11,930,399	8,974,110	1,040,513	10,014,623
Other areas	360,777	403,649	764,426	353,051	271,205	624,256
	\$ 55,237,396	5,585,843	60,823,239	52,348,002	8,318,373	60,666,375
Major product categories:						
Semiconductor wafers	\$ 54,133,837	29,677	54,163,514	51,609,796	32,384	51,642,180
Solar cell	-	1,828,205	1,828,205	-	2,573,555	2,573,555
Solar module	-	1,097,687	1,097,687	-	972,439	972,439
Solar ingot	-	831,097	831,097	-	2,137,178	2,137,178
Semiconductor ingot	909,572	2,292	911,864	614,027	1,112	615,139
Solar wafer	-	175,229	175,229	-	209,129	209,129
Others	193,987	1,621,656	1,815,643	124,179	2,392,576	2,516,755
	\$ 55,237,396	5,585,843	60,823,239	52,348,002	8,318,373	60,666,375

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B. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022
Notes and accounts receivable (including related parties)	\$ 11,022,111	11,332,961	11,860,943
Contract liabilities	\$ 37,786,666	39,561,054	37,928,003

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 nine months ended September 30, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was \$4,860,132 thousand and \$4,398,230 thousand, respectively.

(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 three months and the nine months ended September 30, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to \$172,990 thousand, \$45,280 thousand, \$493,690 thousand and \$242,924 thousand and directors remuneration amounting \$15,000 thousand, \$15,000 thousand, \$45,000 thousand and \$45,000, 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 remuneration of Sino-American Silicon Products Inc. for employees in 2022 and 2021 were \$564,770 thousand dollars and \$438,902 thousand dollars, respectively. Remuneration for directors were \$55,000 thousand dollars and \$45,000 thousand dollars, respectively, and were not significantly different from actual distribution.

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(25) Interest income and financial costs

A. Interest income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Interest income from bank deposits	\$ 811,269	328,784	2,443,379	557,405
Interest income from financial assets measured at amortized cost	-	1,664	2,731	4,946
	<u>\$ 811,269</u>	<u>330,448</u>	<u>2,446,110</u>	<u>562,351</u>

B. Financial costs

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Interest expense of borrowings	\$ 136,443	25,490	328,235	52,991
Interest expense of corporate bonds	51,454	104,618	227,694	317,898
Interest expense of lease liability	4,930	2,602	14,356	7,416
	<u>\$ 192,827</u>	<u>132,710</u>	<u>570,285</u>	<u>378,305</u>

(26) Other gains and losses

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Foreign exchange gains	\$ 163,939	1,712,289	516,733	3,646,078
Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss	1,374,749	(1,271,698)	1,801,076	(11,590,146)
Gain (loss) on disposal of property, plant and equipment	33,805	765	71,440	51,554
Dividend income	29,356	3,036	444,757	404,420
Gain on disposal of investees	-	-	-	58,049
Revaluation of gain on disposal of investees	-	-	-	23,282
Others	108,128	104,015	(73,976)	88,702
	<u>\$ 1,709,977</u>	<u>548,407</u>	<u>2,760,030</u>	<u>(7,318,061)</u>

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(27) Share of other comprehensive income of associates accounted for using equity method

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Exchange differences on translation of foreign operations	\$ 2,938	56	158	4,320
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>(112,702)</u>	<u>(111,303)</u>	<u>167,372</u>	<u>(1,041,007)</u>
	<u>\$ (109,764)</u>	<u>(111,247)</u>	<u>167,530</u>	<u>(1,036,687)</u>

(28) Financial instruments

Except for the following, there has been no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk due to financial instrument. For relevant information, please refer to note 6(28) of 2022 consolidated financial report.

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 September 30, 2023, December 31 and September 30, 2022, 44%, 45% and 40%, 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).

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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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
September 30, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 24,010,544	(24,140,279)	(24,140,279)	-	-	-	-
Short-term notes payable	998,938	(1,000,000)	(1,000,000)	-	-	-	-
Notes and accounts payable (including related parties)	5,191,299	(5,191,299)	(5,168,763)	(22,536)	-	-	-
Long-term borrowings (including current portion)	5,383,784	(5,714,846)	(144,282)	(1,101,680)	(2,238,785)	(1,538,184)	(691,915)
Current and non-current lease liabilities	1,180,108	(1,258,130)	(111,656)	(97,940)	(152,505)	(299,783)	(596,246)
Ordinary corporate bonds	18,990,115	(19,253,600)	-	(7,208,200)	(72,700)	(11,972,700)	-
Convertible bonds	6,627,148	(6,841,854)	-	(6,841,854)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	125,245	(125,245)	(66,395)	(58,850)	-	-	-
Payroll and bonus payable	5,500,882	(5,500,882)	(4,057,387)	(1,443,495)	-	-	-
Derivative financial							
Forward exchange contracts:							
Outflows	27,644	(1,043,181)	(1,043,181)	-	-	-	-
Inflows	-	1,015,537	1,015,537	-	-	-	-
	<u>\$ 68,035,707</u>	<u>(69,053,779)</u>	<u>(34,716,406)</u>	<u>(16,774,555)</u>	<u>(2,463,990)</u>	<u>(13,810,667)</u>	<u>(1,288,161)</u>

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December 31, 2022	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
Non-derivative financial liabilities							
Short-term borrowings	\$ 9,796,000	(9,806,010)	(9,806,010)	-	-	-	-
Notes and accounts payable (including related parties)	5,130,488	(5,130,488)	(5,111,833)	(18,655)	-	-	-
Long-term borrowings (including current portion)	903,641	(1,203,109)	(43,865)	(40,784)	(80,646)	(236,406)	(801,408)
Current and non-current lease liabilities	825,028	(890,554)	(70,699)	(64,372)	(116,256)	(208,611)	(430,616)
Ordinary corporate bonds	18,986,110	(19,361,800)	(40,300)	(67,900)	(7,208,200)	(12,045,400)	-
Convertible bonds	23,793,835	(24,787,249)	-	-	-	(24,787,249)	-
Dividends payable	3,257,330	(3,257,330)	(3,257,330)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	127,888	(127,888)	(73,528)	(54,360)	-	-	-
Payroll and bonus payable	4,392,988	(4,392,988)	(3,192,876)	(1,200,112)	-	-	-
Derivative financial							
Swap exchange contracts:							
Outflows	1,219	(115,739)	(115,739)	-	-	-	-
Inflows	-	114,520	114,520	-	-	-	-
Forward exchange contracts:							
Outflows	-	(1,053,481)	(1,053,481)	-	-	-	-
Inflows	(32,415)	1,085,896	1,085,896	-	-	-	-
	<u>\$ 67,182,112</u>	<u>(68,926,220)</u>	<u>(21,565,245)</u>	<u>(1,446,183)</u>	<u>(7,405,102)</u>	<u>(37,277,666)</u>	<u>(1,232,024)</u>

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	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
September 30, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 9,454,000	(9,464,513)	(9,314,461)	(150,052)	-	-	-
Notes and accounts payable (including related parties)	4,573,411	(4,573,411)	(4,552,449)	(20,962)	-	-	-
Long-term borrowings (including current portion)	969,169	(1,194,927)	(18,897)	(18,596)	(37,872)	(121,772)	(997,790)
Current and non-current lease liabilities	825,151	(894,878)	(77,600)	(57,060)	(103,198)	(215,558)	(441,462)
Ordinary corporate bonds	18,984,775	(19,361,800)	-	(108,200)	(7,208,200)	(12,045,400)	-
Convertible bonds	24,835,702	(25,950,530)	-	-	-	(25,950,530)	-
Dividends payable	62,061	(62,061)	(62,061)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	93,695	(93,695)	(53,388)	(40,307)	-	-	-
Payroll and bonus payable	4,467,770	(4,467,770)	(3,248,663)	(1,219,107)	-	-	-
Derivative financial liabilities							
Swap exchange contracts:							
Outflows	1,403	(146,720)	(146,720)	-	-	-	-
Inflows	-	145,317	145,317	-	-	-	-
Forward exchange contracts:							
Outflows	19,837	(1,034,415)	(1,034,415)	-	-	-	-
Inflows	-	1,014,578	1,014,578	-	-	-	-
	<u>\$ 64,286,974</u>	<u>(66,084,825)</u>	<u>(17,348,759)</u>	<u>(1,614,284)</u>	<u>(7,349,270)</u>	<u>(38,333,260)</u>	<u>(1,439,252)</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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C. Currency risk

(a) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2023		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 517,058	32.27	16,685,458
JPY	9,472,953	0.2162	2,048,053
EUR	196,329	33.91	6,657,505
CNY	52,310	4.415	230,948
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	381,974	32.27	12,326,301
JPY	14,375,711	0.2162	3,108,029
EUR	54,024	33.91	1,831,949
CNY	65,195	4.415	287,836
<u>Non-monetary items</u>			
USD	32,600	32.27	Note
	December 31, 2022		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 1,295,777	30.71	39,793,312
JPY	5,678,414	0.2324	1,319,663
EUR	109,741	32.72	3,590,726
CNY	28,962	4.408	127,664
<u>Investments accounted for using equity method</u>			
USD	33,500	30.71	Note

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				December 31, 2022		
				Foreign currency	Exchange rate	NTD
<u>Financial liabilities</u>						
<u>Monetary Items</u>						
	USD			1,398,542	30.71	42,949,225
	JPY			10,001,886	0.2324	2,324,438
	EUR			98,588	32.72	3,225,799
	CNY			48,084	4.408	211,954
<u>Non-monetary items</u>						
	EUR			3,500	32.72	Note
				September 30, 2022		
				Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary Items</u>						
	USD	\$		1,260,732	31.750	40,028,241
	JPY			6,506,727	0.2201	1,432,131
	EUR			118,692	31.26	3,710,312
	CNY			31,774	4.473	142,125
<u>Non-monetary items</u>						
	JPY			154,103	0.2201	Note
	USD			3,250	31.75	Note
<u>Financial liabilities</u>						
<u>Monetary Items</u>						
	USD			390,270	31.75	12,391,073
	JPY			12,468,133	0.2201	2,744,236
	EUR			119,794	31.26	3,744,760
	CNY			70,678	4.473	316,143
<u>Non-monetary items</u>						
	USD			27,770	31.75	Note
	EUR			5,109	31.26	Note

Note: The fair value of forward exchange contracts was measured at the reporting date. For related information, please refer to note 6(2).

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(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 September 30, 2023 and 2022, net income before income taxes would have decreased or increased by \$80,679 thousand and increased or decreased by \$261,166 thousand for the nine months ended September 30, 2023 and 2022, 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 on monetary items is disclosed by an aggregate amount. For the three months and the nine months ended September 30, 2023 and 2022, foreign exchange losses (including realized and unrealized portions) amounted to \$163,939 thousand, \$1,712,289 thousand, \$516,733 thousand and \$3,646,078 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 \$25,086 thousand and \$19,593 thousand, for the nine months ended September 30, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

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E. Other price risk

For the nine months ended September 30, 2023 and 2022, 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:

<u>Prices of securities at the reporting date</u>	For the nine months ended September 30,			
	2023		2022	
	Other comprehensive income before tax	Net income	Other comprehensive income before tax	Net income
Increasing 5%	\$ 96,369	563,282	71,506	372,616
Decreasing 5%	(96,369)	(563,282)	(71,506)	(372,616)

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:

	September 30, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss—non-current					
Private equity	\$ 187,958	-	-	187,958	187,958
Overseas securities	11,265,646	11,265,646	-	-	11,265,646
Subtotal	\$ 11,453,604	11,265,646	-	187,958	11,453,604
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 914,507	914,507	-	-	914,507
Overseas securities	344,162	344,162	-	-	344,162
Emerging stock	57,024	-	57,024	-	57,024
Non-public offer equity instrument measured at fair value	611,693	-	-	611,693	611,693
Subtotal	\$ 1,927,386	1,258,669	57,024	611,693	1,927,386

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		September 30, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$ 27,917,933	-	-	-	-	-
Notes and accounts receivable (including related parties)	11,028,015	-	-	-	-	-
Other financial assets – current and non-current	49,690,756	-	-	-	-	-
Subtotal	\$ 88,636,704	-	-	-	-	-
Financial liabilities measured at fair value through profit or loss:						
Forward exchange contract	\$ 27,644	-	27,644	-	-	27,644
Embedded derivative instruments in convertible bonds	244,214	-	244,214	-	-	244,214
Subtotal	\$ 271,858	-	271,858	-	-	271,858
Financial liabilities measured at amortized cost:						
Short-term borrowings	24,010,544	-	-	-	-	-
Short-term notes payable	998,938	-	-	-	-	-
Notes and accounts receivable (including related parties)	5,191,299	-	-	-	-	-
Long-term borrowings (including current portion)	5,383,784	-	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	125,245	-	-	-	-	-
Salary and bonus payable	5,500,882	-	-	-	-	-
Convertible bonds	18,990,115	-	-	-	-	-
Ordinary corporate bonds	6,627,148	-	-	-	-	-
Current and non-current lease liabilities	1,180,108	-	-	-	-	-
Subtotal	\$ 68,008,063	-	-	-	-	-
		December 31, 2022				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss-current						
Forward exchange contract	\$ 32,415	-	32,415	-	-	32,415
Financial assets at fair value through profit or loss – non-current						
Private equity	\$ 185,793	-	-	185,793	-	185,793
Overseas securities	9,145,927	9,145,927	-	-	-	9,145,927
Subtotal	\$ 9,331,720	9,145,927	-	185,793	-	9,331,720

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	December 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 186,844	186,844	-	-	186,844
Overseas securities	673,747	673,747	-	-	673,747
Non-public offer equity instrument measured at fair value	584,254	-	-	584,254	584,254
Subtotal	<u>\$ 1,444,845</u>	<u>860,591</u>	<u>-</u>	<u>584,254</u>	<u>1,444,845</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 83,247,854	-	-	-	-
Notes and accounts receivable (including related parties)	11,338,088	-	-	-	-
Other financial assets – current and non-current	8,693,679	-	-	-	-
Corporate bonds – current	331,609	-	331,609	-	331,609
Subtotal	<u>\$ 103,611,230</u>	<u>-</u>	<u>331,609</u>	<u>-</u>	<u>331,609</u>
Financial liabilities measured at fair value through profit or loss:					
Forward exchange contract	1,219	-	1,219	-	1,219
Embedded derivative instruments in convertible bonds	466,831	-	466,831	-	466,831
Subtotal	<u>\$ 468,050</u>	<u>-</u>	<u>468,050</u>	<u>-</u>	<u>468,050</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	9,796,000	-	-	-	-
Notes and accounts receivable (including related parties)	5,130,488	-	-	-	-
Long-term borrowings (including current portion)	903,641	-	-	-	-
Dividends payable	3,257,330	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	127,888	-	-	-	-
Salary and bonus payable	4,392,988	-	-	-	-
Convertible bonds	23,793,835	-	-	-	-
Ordinary corporate bonds	18,986,110	-	-	-	-
Current and non-current lease liabilities	825,028	-	-	-	-
Subtotal	<u>\$ 67,213,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	September 30, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit or loss-current					
Forward exchange contract	\$ <u>1,754</u>	-	<u>1,754</u>	-	<u>1,754</u>
Financial assets at fair value through profit or loss – non-current					
Private equity	\$ 188,554	-	-	188,554	188,554
Overseas securities	<u>7,452,314</u>	<u>7,452,314</u>	-	-	<u>7,452,314</u>
Subtotal	<u>\$ 7,640,868</u>	<u>7,452,314</u>	-	<u>188,554</u>	<u>7,640,868</u>
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 179,811	179,811	-	-	179,811
Overseas securities	646,512	646,512	-	-	646,512
Non-public offer equity instrument measured at fair value	<u>603,790</u>	-	-	<u>603,790</u>	<u>603,790</u>
Subtotal	<u>\$ 1,430,113</u>	<u>826,323</u>	-	<u>603,790</u>	<u>1,430,113</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	82,848,159	-	-	-	-
Notes and accounts receivable (including related parties)	11,863,744	-	-	-	-
Other financial assets – current and non-current	4,817,139	-	-	-	-
Corporate bonds – current	<u>333,255</u>	-	<u>333,255</u>	-	<u>333,255</u>
Subtotal	<u>\$ 99,862,297</u>	-	<u>333,255</u>	-	<u>333,255</u>
Financial liabilities measured at fair value through profit or loss:					
Forward exchange contract	\$ 21,591	-	21,591	-	21,591
Swap exchange contract	1,403	-	1,403	-	1,403
Embedded derivative instruments in convertible bonds	<u>578,080</u>	-	<u>578,080</u>	-	<u>578,080</u>
	<u>\$ 601,074</u>	-	<u>601,074</u>	-	<u>601,074</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	9,454,000	-	-	-	-
Notes and accounts receivable (including related parties)	4,573,411	-	-	-	-
Long-term borrowings (including current portion)	969,169	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	93,695	-	-	-	-
Salary and bonus payable	4,467,770	-	-	-	-
Convertible bonds	24,835,702	-	-	-	-
Ordinary corporate bonds	18,984,775	-	-	-	-
Current and non-current lease liabilities	<u>825,151</u>	-	-	-	-
Subtotal	<u>\$ 64,203,673</u>	-	-	-	-

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(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).

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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, 2023	\$ 185,793	584,254
Addition	-	94,250
Recognized in profit or loss	18,325	-
Recognized in other comprehensive income	-	(53,575)
Payback of capital contribution	(16,160)	-
Cash dividends	-	(9,797)
Reclassification	-	(21,000)
Effect of changes in exchange rate	-	17,561
Balance at September 30, 2023	<u>\$ 187,958</u>	<u>611,693</u>
Balance at January 1, 2022	\$ 195,163	401,748
Addition	28,998	213,970
Recognized in profit or loss	(27,035)	(25,592)
Refund	(8,572)	(12,919)
Effect of changes in exchange rate	-	26,583
Balance at September 30, 2022	<u>\$ 188,554</u>	<u>603,790</u>

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- (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:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Relationship between significant unobservable inputs and fair value</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> · Equity value multiplier (as of September 30, 2023 , December 31, 2022 and September 30, 2022 were 2.23%~2.85% , 2.07%~2.85% and 0.18%~2.43%, respectively) · Market liquidity discount rate (September 30, 2023 , December 31, 2022 and September 30, 2022 were all 28%) 	<ul style="list-style-type: none"> · The higher the multiplier, the higher the fair value · The higher the lack of market liquidity, the lower the fair value

- (f) 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.
- (g) For the nine months ended September 30, 2023 and 2022, there has been no transfer at fair value level.

(29) Financial risk management

The consolidated company's financial risk management objectives and policies have not changed significantly from those disclosed in note 6(29) of consolidated financial report of 2022.

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(30) Capital management

The capital management objectives, policies, and procedures of the consolidated company are consistent with the report from 2022; there is no significant change in the aggregated quantitative data of capital management items from those disclosed in the report from 2022. For relevant information, please refer to note 6(30) of consolidated report from 2022.

(31) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the nine months ended September 30, 2023 and 2022 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, 2023	Cash flows	Foreign exchange movement and others	September 30, 2023
Short-term borrowings	\$ 9,796,000	14,199,221	15,323	24,010,544
Short-term notes payable	-	998,938	-	998,938
Long-term borrowings	903,641	4,554,633	(74,490)	5,383,784
Lease liabilities	825,028	(157,396)	512,476	1,180,108
Bonds payable	42,779,945	(17,644,805)	482,123	25,617,263
Guarantee deposit received	<u>1,558,715</u>	<u>81,600</u>	<u>-</u>	<u>1,640,315</u>
Total liabilities from financing activities	<u>\$ 55,863,329</u>	<u>2,032,191</u>	<u>935,432</u>	<u>58,830,952</u>

	January 1, 2022	Cash flows	Foreign exchange movement and others	September 30, 2022
Short-term borrowings	\$ 7,759,302	1,694,698	-	9,454,000
Long-term borrowings	1,030,876	(193,457)	131,750	969,169
Lease liabilities	852,666	(149,455)	121,940	825,151
Bonds payable	45,124,740	(1,608,296)	304,033	43,820,477
Guarantee deposit received	<u>1,397</u>	<u>1,519,261</u>	<u>1,999</u>	<u>1,522,657</u>
Total liabilities from financing activities	<u>\$ 54,768,981</u>	<u>1,262,751</u>	<u>559,722</u>	<u>56,591,454</u>

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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:

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Actron	SAS's management is the director of the company/ An associate of the Group
Crystalwise	An associate of the Group
YuanHong (ShanDong) Technical Materials Ltd. ("YHTM")	Subsidiary an associate of the Group
YuanHong Technical Materials Ltd. ("MHTM") (Note)	Subsidiary of an associate of the Group

Note : The Group obtained entire equity interests of SSKT from Crystalwise, and obtained control of MHTM through SSKT which was merged into the consolidated financial report from April 23, 2023.

(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:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 80,432</u>	<u>65,449</u>	<u>228,328</u>	<u>204,874</u>

The sales price for sales to the related parties was determined by market price and adjusted according to the sales area and sales volume.

For the nine months ended September 30, 2023 and 2022, the credit terms for third parties were both 0 to 120 days after month-end. Those for related parties were 30 to 90 days after month-end both in the period ended September 30, 2023 and 2022.

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B. Purchase and process outsourcing

The amounts of purchases and process outsourcing by the Group from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Associates	\$ <u>(270)</u>	<u>1,528</u>	<u>845</u>	<u>1,528</u>

The prices of purchases and process outsourcing were determined by market rates.

The payment terms to third parties were 0 to 150 days after month-end both in the nine months ended September 30, 2023 and 2022, while those of related parties were 30 to 90 days after the following month-end both in the nine months ended September 30, 2023 and 2022.

C. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	September 30, 2023	December 31, 2022	September 30, 2022
Receivables from related parties	Associate	\$ <u>86,440</u>	<u>77,916</u>	<u>54,050</u>

D. Payables to related parties

The payables to related parties were as follows:

Items	Categories	September 30, 2023	December 31, 2022	September 30, 2022
Payable to related parties	Associate	\$ <u>771</u>	<u>73</u>	<u>1,542</u>

E. Borrowings from related parties

For the nine months ended September 30, 2023 and 2022, the financing loans from related parties during the period were as follow:

Related parties	September 30, 2023		
	Ending balance	Interest rate period	Interest expense
Other related parties	\$ <u>-</u>	3.7%	<u>389</u>

As of September 30, 2023, the interest payable \$0 thousand.

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F. 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:

	For the nine months ended September 30,			
	2023		2022	
	Disposal price	Receivable from related parties	Disposal price	Receivable from related parties
Associate	\$ 213	-	-	-
Other related parties	2,364	-	-	-
	\$ 2,577	-	-	-

(b) Acquisition of property, plant and equipment

The disposals of property, plant and equipment to related parties were summarized as follows:

	For the nine months ended September 30,			
	2023		2022	
	Amount	Payable to related parties	Amount	Payable to related parties
Associates	\$ 350	368	-	-

(c) On May 1, 2023, the Group acquired 100% of the shares and voting interests in SSKT at the price of \$443,300 thousand, which was fully paid.

G. Corporate bonds

For the three months and nine months ended September 30, 2023 and 2022, interest income amounted to \$0 thousand, \$1,664 thousand, \$2,731 thousand and \$4,946 thousand, respectively. As of September 30, 2023, December 31, 2022 and September 30, 2022, the accumulated investment cost and interest receivable amounted to \$0 thousand, \$331,609 thousand and \$333,255 thousand, respectively and were recorded in financial assets measured at amortized cost-current.

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H. Lease

The details of the lease rental contract between the Group and its related parties were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Associates	\$ 6,609	12,947	20,883	29,328

The Group leased its plant to associates. As of September 30, 2023, December 31 and September 30, 2022, the Group had lease receivables of \$1,108 thousand, \$3,133 thousand and \$2,217 thousand, respectively.

I. Payment and advances from other transactions

- (a) 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 September 30, 2023, December 31 and September 30, 2022 were as follows:

	September 30,	December 31,	September 30,
	2023	2022	2022
Associates	\$ 4,796	1,994	584
Associates	(4,487)	(1,122)	(821)
	\$ 309	872	(237)

- (b) As of September 30, 2023, December 31 and September 30, 2022, the related parties entered into offshore wind power purchase contracts for the implementation of the sustainable Green Energy Performance Plan and deposited a guaranteed amount to \$10,000 thousand, which was recorded under other liabilities – non-current.

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Post-employment benefits	\$ 175,317	193,409	534,479	362,265
Share-based payment	473	928	1,475	1,443
	\$ 175,790	194,337	535,954	363,708

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8. Pledged assets:

The carrying values of pledged assets were as follows:

<u>Asset name</u>	<u>Pledge or Mortgage underlying subject</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Property, plant and equipment	Long-term and short-term borrowings and credit lines	\$ 3,175,116	3,501,797	3,217,754
Time deposits (recognized in other financial assets – current)	Performance bond	10,695	10,629	10,629
Time deposits (recognized in other financial assets – non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,841	51,836	51,836
Time deposits (recognized in other financial assets – non-current)	Guarantee for gas consumption from CPC Corporation	2,000	2,000	2,000
Time deposits (recognized in other financial assets – non-current)	Guarantee payment for import VAT	14,000	14,000	14,000
Time deposits (recognized in other financial assets – non-current)	Guarantee for bank financing projects	-	107,836	111,099
Time deposits/deposit guarantee (recognized in other financial assets – non-current)	Court litigation	11,181	19,638	19,638
Time deposits (recognized in other financial assets – non-current)	Bureau of energy subsidy plan	18,323	4,952	-
Time deposits (recognized in other financial assets – non-current)	Guarantee for bank financing projects	8,000	8,000	-
		<u>\$ 3,291,156</u>	<u>3,720,688</u>	<u>3,426,956</u>

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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 as of September 30, 2023, December 31 and September 30, 2022, amounted to \$43,259,048 thousand, \$33,461,162 thousand and \$33,114,887 thousand, respectively.
- 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. 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)

	September 30, 2023	December 31, 2022	September 30, 2022
USD	\$ 19,873	21,865	24,179
EUR	\$ 14,645	13,066	12,168

- C. As of September 30, 2023, December 31 and September 30, 2022, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$66,264,059 thousand, \$27,954,076 and \$30,533,905 thousand, respectively.
- D. As of September 30, 2023, December 31 and September 30, 2022, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were \$76,533,111 thousand, \$52,334,293 and \$12,489,750 thousand, respectively.
- E. As of September 30, 2023, December 31 and September 30, 2022, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to \$125,200 thousand, \$140,599 and \$141,599 thousand, respectively.
- F. As of September 30, 2023, December 31 and September 30, 2022, the Group's outstanding standby letters of credit that were issued amounted to \$272,178 thousand, \$157,689 and \$159,067 thousand, respectively.

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- 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 September 30, 2023, December 31 and September 30, 2022, a guarantee letter for the customer which the Group requested a bank to issue amounted to \$4,572,357 thousand, \$4,685,036 and \$4,827,566 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. 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 September 30, 2023, December 31 and September 30, 2022, the balance of the account was \$2,837,461 thousand, \$2,967,304 and \$3,247,120 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. 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 Group 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. As of January 31, 2022, the approval by the German government could not be obtained. Under the aforementioned business combination agreement between GlobalWafers and Siltronic AG, a termination fee of EUR 50 million was payable to Siltronic AG, which was provisionally recorded as of December 31, 2021, and paid completely in the first quarter of 2022.

- J. The Group entered into an offshore wind power contract with a customer under the sustainable Green Energy Performance plan in 2022 and received a guarantee deposit of \$141,200 thousand, \$111,800 and \$95,000. As of September 30, 2023, December 31 and September 30, 2022, the above-mentioned guarantee deposit were recorded as other liabilities – non-current.

10. Losses due to major disasters: None.

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11. Subsequent Events:

- (1) On May 2, 2023, the board of directors of GlobalWafers resolved that GlobalWafers and CWT would engage in mutually beneficial cooperation and synergy, aiming to expand the product line and enhance operational advantages. It is proposed to issue new shares to the shareholders of CWT as a consideration and carry out share conversion with CWT allowing GlobalWafers to acquire 100% ownership of CWT. The swap ratio is each share of CWT for 0.02 newly issued shares of GlobalWafers, which issued 876,725 shares (1 par value of NT\$10 each) with the total amount of NT\$8,767 thousand.
- (2) The Group acquired SunEdison Semiconductor Limited in December 2016 and assumed its inherited rights and obligations from the cross-license agreement entered into between SunEdison Inc. and SOITEC in 2013. However, SOITEC disagreed with some of the terms of the agreement and proposed to terminate the cross-license agreement. The Group filed a request for confirmation of validity of the agreement with the U.S. District Court for the District of Delaware on November 7, 2023 to protect its rights and interests. The process is still in progress. In addition, the Group assessed that this matter would not affect the sales of the related products.

12. Other:

A summary of the employee benefits, depreciation, and amortization expenses, by function were as follows:

By item	By function		For the three months ended September 30,			
	2023			2022		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	2,469,056	930,263	3,399,319	2,331,057	879,790	3,210,847
Labor and health insurance	303,125	71,325	374,450	271,807	62,345	334,152
Pension	155,899	30,187	186,086	155,413	27,305	182,718
Others employee benefits expenses	71,225	23,220	94,445	73,119	20,289	93,408
Depreciation	1,989,933	90,662	2,080,595	1,713,921	67,684	1,781,605
Amortization	87,171	4,488	91,659	130,779	4,330	135,109

By item	By function		For the nine months ended September 30,			
	2023			2022		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	7,272,440	2,682,087	9,954,527	6,548,878	2,103,985	8,652,863
Labor and health insurance	887,313	209,823	1,097,136	775,550	180,570	956,120
Pension	458,210	88,676	546,886	457,801	82,810	540,611
Others employee benefits expenses	218,060	68,379	286,439	196,641	58,443	255,084
Depreciation	5,772,286	262,273	6,034,559	4,814,043	184,577	4,998,620
Amortization	259,676	15,684	275,360	249,581	6,959	256,540

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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 September 30, 2023 (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.

(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.

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14. Segment information:

(1) Operating segments

The Group's operating segment information and reconciliations were as follows:

	For the three months ended September 30, 2023			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 18,052,556	1,548,829	-	19,601,385
Intersegment revenues	<u>67,973</u>	<u>155,729</u>	<u>(223,702)</u>	<u>-</u>
Total revenue	<u>\$ 18,120,529</u>	<u>1,704,558</u>	<u>(223,702)</u>	<u>19,601,385</u>
Reportable segment profit or loss	<u>\$ 5,533,812</u>	<u>(166,162)</u>	<u>-</u>	5,367,650
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>86,213</u>
				<u>\$ 5,453,863</u>

	For the three months ended September 30, 2022			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 18,543,462	3,082,920	-	21,626,382
Intersegment revenues	<u>75,303</u>	<u>533,260</u>	<u>(608,563)</u>	<u>-</u>
Total revenue	<u>\$ 18,618,765</u>	<u>3,616,180</u>	<u>(608,563)</u>	<u>21,626,382</u>
Reportable segment profit or loss	<u>\$ 5,006,941</u>	<u>503,905</u>	<u>-</u>	5,510,846
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>73,949</u>
				<u>\$ 5,584,795</u>

	For the nine months ended September 30, 2023			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 55,237,396	5,585,843	-	60,823,239
Intersegment revenues	<u>223,695</u>	<u>928,372</u>	<u>(1,152,067)</u>	<u>-</u>
Total revenue	<u>\$ 55,461,091</u>	<u>6,514,215</u>	<u>(1,152,067)</u>	<u>60,823,239</u>
Reportable segment profit or loss	<u>\$ 14,948,537</u>	<u>(268,553)</u>	<u>-</u>	14,679,984
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>216,236</u>
				<u>\$ 14,896,220</u>

Sino-American Silicon Products Inc. and subsidiaries
Notes to the Consolidated Financial Statements

	For the nine months ended September 30, 2022			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 52,348,002	8,318,373	-	60,666,375
Intersegment revenues	<u>91,412</u>	<u>1,140,860</u>	<u>(1,232,272)</u>	<u>-</u>
Total revenue	<u>\$ 52,439,414</u>	<u>9,459,233</u>	<u>(1,232,272)</u>	<u>60,666,375</u>
Reportable segment profit or loss	<u>\$ 9,440,252</u>	<u>1,359,497</u>	<u>-</u>	10,799,749
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>135,804</u>
				<u>\$ 10,935,553</u>

	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Reportable segment assets:				
September 30, 2023	<u>\$ 192,131,220</u>	<u>13,548,337</u>	<u>(227,434)</u>	205,452,123
Equity method investments				<u>3,260,883</u>
				<u>\$ 208,713,006</u>
December 31, 2022	<u>\$ 179,138,357</u>	<u>15,431,955</u>	<u>(468,671)</u>	194,101,641
Equity method investments				<u>2,507,749</u>
				<u>\$ 196,609,390</u>
September 30, 2022	<u>\$ 168,123,379</u>	<u>16,100,547</u>	<u>(1,097,541)</u>	183,126,385
Equity method investments				<u>2,410,220</u>
				<u>\$ 185,536,605</u>
Reportable segment liabilities:				
September 30, 2023	<u>\$ 117,132,688</u>	<u>13,871,506</u>	<u>(227,434)</u>	<u>130,776,760</u>
December 31, 2022	<u>\$ 115,551,790</u>	<u>13,394,727</u>	<u>(468,671)</u>	<u>128,477,846</u>
September 30, 2022	<u>\$ 108,555,379</u>	<u>13,161,389</u>	<u>(1,097,541)</u>	<u>120,619,227</u>

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended September 30, 2023

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	1,774,850	1,774,850	64,540	5%	2	-	Operating capital	-	-	-	14,452,196	14,452,196
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	31,500	2.5%	2	-	Operating capital	-	-	-	14,452,196	14,452,196
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	601,444	1.5%	2	-	Operating capital	-	-	-	14,452,196	14,452,196
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	173,550	169,550	-	4.5%	2	-	Operating capital	-	-	-	14,452,196	14,452,196
1	SSTI	Sulu	Receivable from related parties	Yes	461,784	461,784	461,784	0%	2	-	Operating capital	-	-	-	2,360,398	2,360,398
1	SSTI	AMLED	Receivable from related parties	Yes	368,330	368,330	368,330	0%	2	-	Operating capital	-	-	-	2,360,398	2,360,398
2	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	343,676	343,676	343,676	0%	2	-	Operating capital	-	-	-	541,952	541,952
3	GlobalWafers	Sunrise PV Five	Receivable from related parties	Yes	100,000	100,000	20,000	1.5%	2	-	Operating capital	-	-	-	26,472,905	26,472,905
3	GlobalWafers	Sunrise PV Four	Receivable from related parties	Yes	400,000	400,000	180,000	1.5%	2	-	Operating capital	-	-	-	26,472,905	26,472,905
4	GWJ	MEMC Japan	Receivable from related parties	Yes	12,560,960	11,761,280	9,512,800	0.55636%	2	-	Operating capital	-	-	-	17,541,911	17,541,911
5	MEMC SpA	GWBV	Receivable from related parties	Yes	1,791,350	-	-	-	2	-	Operating capital	-	-	-	11,155,032	11,155,032
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,707,380	2,644,980	1,631,944	7.475%	2	-	Operating capital	-	-	-	11,155,032	11,155,032
6	GWS	GWBV	Receivable from related parties	Yes	1,092,210	1,092,210	1,092,210	1.20%	2	-	Operating capital	-	-	-	33,946,195	33,946,195

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		
6	GWS	GW GmbH	Receivable from related parties	Yes	4,338,750	4,238,750	4,238,750	2.70%	2	-	Operating capital	-	-	-	33,946,195	33,946,195
6	GWS	GlobalWafers	Receivable from related parties	Yes	9,681,000	9,681,000	7,099,400	5.81%~5.90%	2	-	Operating capital	-	-	-	33,946,195	33,946,195
7	GTI	MEMC LLC	Receivable from related parties	Yes	5,808,600	5,808,600	219,436	5.92%	2	-	Operating capital	-	-	-	13,318,438	13,318,438
7	GTI	GlobalWafers	Receivable from related parties	Yes	1,501,750	-	-	-	2	-	Operating capital	-	-	-	13,318,438	13,318,438
8	GWBV	GW GmbH	Receivable from related parties	Yes	3,745,550	2,034,600	1,695,500	2.70%	2	-	Operating capital	-	-	-	50,887,390	50,887,390
9	SSKT	MHTM	Receivable from related parties	Yes	8,028	7,995	-	3.65%	1	55,729	Business between two parties	-	-	-	55,729	163,756
9	SSKT	MHTM	Receivable from related parties	Yes	61,810	61,810	57,395	4.35%	2	-	Operating capital	-	-	-	163,756	163,756
10	SST	SSKT	Receivable from related parties	Yes	103,753	103,753	70,640	4.35%	2	-	Operating capital	-	-	-	3,006,534	3,006,534

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 GlobalWafers, the amount of financing shall not exceed the amount of business transaction for the current year; for capital loans to companies that need short-term financing, individual loans shall The amount shall not exceed 40% of GlobalWafers' net worth; for GlobalWafers directly and indirectly holds 100% of the voting shares of domestic companies engaged in capital lending, or GlobalWafers directly and indirectly holds 100% of the voting rights of domestic companies to engage in capital lending to GlobalWafers, and the amount does not exceed the net worth of the company that lent funds up to 40 percent; for GlobalWafers directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital lending, or GlobalWafers directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital lending to GlobalWafers, not subject to the provisions of the preceding paragraph. The restriction on net worth is not subject to the one-year term of capital loan in Paragraph 1 of Article 4, but the capital loan limit and time limit should still be determined in its internal operating procedures.

- 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 lend funds to companies with business contacts, the total amount of the loan shall not exceed 40% of the net worth of the company that lent the funds; for fund loans to companies that need short-term financing, the total amount of the loan shall not exceed 40% of the company's net worth; for GlobalWafers directly and indirectly holds 100% of the voting shares in domestic companies engaged in inter-company capital lending, or GlobalWafers directly and indirectly holds 100% of the voting rights in domestic companies, the company's capital lending to GlobalWafers shall not exceed 40% of the company's net worth; for foreign companies that directly and indirectly hold 100% of the voting rights to engage in capital loans to GlobalWafers are not subject to the restrictions on net worth in the preceding paragraph and are not subject to the one-year limitation of the capital loan period in Paragraph 1 of Article 4, but they should still be The internal operating procedures set the limits and deadlines for capital loans.
- (3) 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 period ended September 30, 2023

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)	1,484,420 (Note 5)	1,484,420 (Note 5)	828,210 (Note 5)	-	4.11 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	36,130,491	170	170	170	-	-	36,130,491	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	36,130,491	421	421	421	-	-	36,130,491	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	36,130,491	2,300,000	2,300,000	-	-	6.37 %	36,130,491	Y	N	N
0	Sino American Silicon Products Inc.	SES	2	36,130,491	125,666	125,666	121,080	-	0.35 %	36,130,491	Y	N	N
1	GlobalWafers	GW GmbH	2	198,546,786	8,677,500	8,477,500	7,786,414	-	12.81 %	198,546,786	N	N	N
1	GlobalWafers	GWH	2	198,546,786	1,300,000	1,100,000	-	-	1.66 %	198,546,786	N	N	N
1	GlobalWafers	Sunrise PV Four	2	198,546,786	100,000	100,000	33,600	-	0.15 %	198,546,786	N	N	N
1	GlobalWafers	Sunrise PV Five	2	198,546,786	79,800	79,800	79,800	-	0.12 %	198,546,786	N	N	N
1	GlobalWafers	GWS	2	198,546,786	5,457,917	5,457,917	5,361,107	-	8.25 %	198,546,786	N	N	N
1	GlobalWafers	MEMC SpA	2	198,546,786	3,054,480	2,984,080	2,984,080	-	4.51 %	198,546,786	N	N	N

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)										
2	GTI	MEMC LLC	2	66,592,190	3,227,000	3,227,000	2,129,820	-	24.23 %	66,592,190	N	N	N
3	SST	KST	2	15,032,670	1,415,380	1,405,828	1,405,828	-	46.76 %	15,032,670	N	N	Y
4	GWS	GWA	2	169,730,975	9,681,000	9,681,000	-	-	28.52 %	169,730,975	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 USD10,000 thousand and Sulu's individual quota is USD36,000 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 USD46,000 thousand. The actual disbursement amount was reduced to USD27,455 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. and Subsidiaries
Securities held as of September 30, 2023 (excluding investment in subsidiaries, associates and joint ventures)
September 30, 2023

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.	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	15,000	-	3.54 %	-	
Sino American Silicon Products Inc.	Stock of Billion Watts Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2	80	0.02 %	80	
Sino American Silicon Products Inc.	Stock of Billion Electric Co., Ltd.	None	Financial assets at fair value through other comprehensive income	15,000	633,750	13.05 %	633,750	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	362,464	15.00 %	362,464	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss — non-current	10	-	7.20 %	-	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,021	85,521	5.54 %	85,521	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	4,750	340,287	8.00 %	340,287	
SSH	SKY TECH Inc.	None	Financial assets at fair value through other comprehensive income	288	57,024	0.47 %	57,024	
SSH	TAISC Materials Corp.	None	Financial assets at fair value through other comprehensive income	200	20,000	0.40 %	20,000	
SSH	Ancora Semiconductors Inc.	None	Financial assets at fair value through other comprehensive income	3,400	102,000	6.16 %	102,000	
SSH	ANJET Corporation	None	Financial assets at fair value through other comprehensive income	600	41,628	4.33 %	41,628	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss — non-current	-	182,585	3.85 %	182,585	

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	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	650	1,784,260	2.17 %	1,784,260	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	3,101	8,511,346	10.34 %	8,511,346	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	350	970,040	1.17 %	970,040	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,518	280,757	0.25 %	280,757	
SST	Foreign securites	None	Financial assets at fair value through other comprehensive income	16	3,875	0.04 %	3,875	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss – non-current	-	5,373	1.49 %	5,373	

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 period ended September 30, 2023**

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
Sino American Silicon Products Inc.	Billion Electric Co., Ltd.	Financial assets at fair value through other comprehensive income	-	None	-	-	15,000	633,750	-	-	-	-	15,000	633,750

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 period ended September 30, 2023

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			
Advanced Wireless	Expansion project of the new factory area	November 5, 2018	415,000	Paid 100%	Yung Ching Construction Co., Ltd.	Non-parties Company	-	-	-	-	Bargain	For operating purpose: in progress	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 period ended September 30, 2023

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	(169,328)	(12) %	Net 60 days from the end of the month upon issuance of invoice	-	-	4,783	4%	Note 1
Sino American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(426,486)	(9) %	Net 30 days from the end of the month upon issuance of invoice	-	-	10,319	3%	Note 1
GlobalWafers	Sino American Silicon Products Inc.	Indirectly held subsidiaries	Purchase	880,157	9 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(17,254)	-%	Note 1 and 2
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	1,275,890	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(271,143)	(3)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	1,248,325	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(323,599)	(3)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	6,061,576	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(2,280,163)	(23)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	456,823	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(84,492)	(1)%	Note 1
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	1,189,030	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(115,886)	(2)%	Note 1
GlobalWafers	KST	Indirectly held subsidiaries	Purchase	175,544	- %	Net 45 days from the end of the month upon issuance of invoice	-	-	(45,959)	-%	Note 1
Sino American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	Purchase	223,205	- %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(27,730)	-%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	5,852,599	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,318,448)	(13)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,048,176	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(226,812)	(2)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	639,220	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(98,849)	(1)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	2,430,938	5 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(408,362)	(4)%	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)	
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	735,001	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(84,125)	(1)%	Note 1
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	1,926,250	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(755,859)	(8)%	Note 1
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	497,293	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(276,526)	(3)%	Note 1
Actron Technology	GlobalWafers	Indirectly held subsidiaries	Purchase	213,938	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(73,318)	(1)%	Note 1
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	129,400	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(21,374)	-%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	1,886,365	4 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(410,322)	(4)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(634,906)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	140,742	1%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,223,556	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(239,120)	(2)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(403,403)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	80,342	1%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	3,189,839	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(723,662)	(7)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(6,205,607)	(12) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,436,848	14%	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,562,353	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(278,394)	(3)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	3,102,802	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(597,569)	(6)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,014,212)	(2) %	Net 60 days from the end of the month upon issuance of invoice	-	-	234,231	2%	Note 1

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: GlobalWafers prepaid to Sino American Silicon Products Inc. according to the contract, amounting to \$158,440 thousand.

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

September 30, 2023

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.	SSH	Directly held subsidiaries	605,394	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	368,330	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	461,784	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	343,676	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	408,362	8.78	-	-	578	-
GlobalWafers	GWJ	Indirectly held subsidiaries	755,859	3.02	-	-	4,978	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,318,448	5.74	-	-	5,653	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	226,812	5.03	-	-	-	-
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	276,526	3.34	-	-	2,182	-
GTI	GlobalWafers	Indirectly held subsidiaries	271,143	5.51	-	-	-	-
SST	GlobalWafers	Indirectly held subsidiaries	323,599	5.71	-	-	39,895	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,280,163	3.68	-	-	-	-
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	155,886	12.05	-	-	111,335	-
GWS	MEMC Japan	Indirectly held subsidiaries	234,231	4.99	-	-	134,576	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,436,848	6.46	-	-	578,277	-
GWS	MEMC LLC	Indirectly held subsidiaries	140,742	6.17	-	-	64,444	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	239,120	6.44	-	-	136,497	-
MEMC SpA	GWS	Indirectly held subsidiaries	723,662	5.62	-	-	325,406	-
MEMC Korea	GWS	Indirectly held subsidiaries	278,394	7.77	-	-	131,794	-
MEMC Japan	GWS	Indirectly held subsidiaries	597,569	6.03	-	-	184,999	-

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 LLC	GWS	Indirectly held subsidiaries	410,322	6.27	-	-	64,444	-
GlobalWafers	Sunrise PV Four	Indirectly held subsidiaries	180,979	Note 1	-	-	-	-
GWJ	MEMC Japan	Indirectly held subsidiaries	9,512,857	Note 1	-	-	-	-
MEMC SpA	GWS	Indirectly held subsidiaries	1,729,396	Note 1	-	-	-	-
GWS	GWBV	Indirectly held subsidiaries	1,103,988	Note 1	-	-	-	-
GWS	GW GmbH	Indirectly held subsidiaries	4,355,860	Note 1	-	-	-	-
GWBV	GW GmbH	Indirectly held subsidiaries	1,742,470	Note 1	-	-	-	-
GTI	STP	Indirectly held subsidiaries	226,351	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 October 20, 2023.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended September 30, 2023

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	GlobalWafers	Sino-American Silicon Products Inc.	2	Purchase	880,157	Net 30 days from the end of the next month upon issuance of invoice	1.45%
0	GlobalWafers	GTI	1	Purchase	1,275,890	Net 60 days from the end of the month upon issuance of invoice	2.10%
0	GlobalWafers	SST	1	Purchase	1,248,325	Net 60 days from the end of the month upon issuance of invoice	2.05%
0	GlobalWafers	GWJ	1	Purchase	6,061,576	Net 60 to 90 days from the end of the month upon issuance of invoice	9.97%
0	GlobalWafers	GWJ	1	Account payable	2,280,163	Net 60 to 90 days from the end of the month upon issuance of invoice	1.09%
0	GlobalWafers	Topsil A/S	1	Purchase	1,189,030	Net 30 to 60 days from the end of the month upon issuance of invoice	1.95%
0	GlobalWafers	GTI	1	Sale	2,430,938	Net 45 days from the end of the month upon issuance invoice	4.00%
0	GlobalWafers	SST	1	Sale	735,001	Net 30 days from the end of the month upon issuance of invoice	1.21%
0	GlobalWafers	GWJ	1	Sale	1,926,250	Net 60 to 90 days from the end of the month upon issuance of invoice	3.17%
0	GlobalWafers	MEMC Korea	1	Sale	1,048,176	Net 30 to 60 days from the end of the month upon issuance of invoice	1.72%
0	GlobalWafers	GWS	1	Sale	5,852,599	Net 60 days from the end of the month upon issuance of invoice	9.62%
0	GlobalWafers	MEMC SpA	1	Sale	639,220	Net 60 days from the end of the month upon issuance of invoice	1.05%
1	GWS	MEMC LLC	3	Sale	634,906	Net 60 days from the end of the month upon issuance of invoice	1.04%
1	GWS	MEMC LLC	3	Purchase	1,886,365	Net 60 days from the end of the month upon issuance of invoice	3.10%
1	GWS	MEMC SpA	3	Purchase	3,189,839	Net 60 days from the end of the month upon issuance of invoice	5.24%
1	GWS	MEMC SpA	3	Sale	6,205,607	Net 60 days from the end of the month upon issuance of invoice	10.20%
1	GWS	MEMC Korea	3	Purchase	1,562,353	Net 60 days from the end of the month upon issuance of invoice	2.57%
1	GWS	MEMC Japan	3	Sale	1,014,212	Net 60 days from the end of the month upon issuance of invoice	1.67%
1	GWS	MEMC Japan	3	Purchase	3,102,802	Net 60 days from the end of the month upon issuance of invoice	5.10%
1	GWS	MEMC Sdn Bhd	3	Purchase	1,223,556	Net 60 days from the end of the month upon issuance of invoice	2.01%

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	GlobalWafers	2	Intercompany loan	7,208,223	-	3.45%
1	GWS	GW GmbH	3	Intercompany loan	4,355,860	-	2.09%
2	GWJ	MEMC Japan	3	Intercompany loan	9,512,857	-	4.56%

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 (Excluding Information on Investees in Mainland China)
For the period ended September 30, 2023

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 September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	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 %	1,180,199	1,414	1,414	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 %	33,864,639	15,327,633	7,843,763	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 %	412,310	16,497	16,497	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	270,976	24,063	24,063	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,737	1,185	1,185	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	650,000	650,000	65,000	100.00 %	176,618	(7,560)	(7,560)	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	20,000	2,000	100.00 %	18,542	(1,318)	(1,318)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	1,685,291	1,685,291	13,877	31.61 %	-	160,019	-	Associate Note 2
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	55,197	(6,194)	326	Associate
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	962,957	962,957	41,590	30.09 %	804,664	76,278	12,797	Subsidiary Note 2

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
Sino American Silicon Products Inc.	Actron Technology Corporation	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	2,395,995	1,756,162	24,935	24.58 %	2,114,767	653,850	147,837	Associate Note 2
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	4,341,422	4,341,422	54,287	27.62 %	3,647,765	(69,605)	(82,815)	Subsidiary Note 2
SSH	SHE	Taiwan	Energy technology service business	3,825	-	383	51.00 %	3,815	(20)	(10)	Subsidiary Note 4
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920	113,920	420,000	40.00 %	78,700	28,007	-	Subsidiary Note 4
SAS Sunrise Inc.	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 %	88,537	28,007	-	Subsidiary Note 4
Aleo Solar	Aleo SolarDistribuzioneItalia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	- Note 1	100.00 %	36,462	3,758	-	Subsidiary Note 4
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	698,419 (USD24,555)	698,419 (USD24,555)	23,000	100.00 %	3,030,802	209,942	214,156	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,535,670	1,190,258	1,188,090	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	2,207,377	17,378,877	41,674	100.00 %	32,391,368	2,841,317	2,780,562	Subsidiary Note 4 and 6
GlobalWafers	GW GmbH	Germany	Trading	1,952,235 (EUR62,525)	1,952,235 (EUR62,525)	48,025	100.00 %	(5,534,126)	1,226,287	1,226,287	Subsidiary Note 4
GlobalWafers	GWBV	Netherlands	Investment activities	40,367,464 (USD1,321,076)	42,525,442 (USD1,321,076)	0.1	100.00 %	50,887,390	3,588,427	3,588,427	Subsidiary Note 4
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,090,919	219,760	68,073	Associate Note 4
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,057,747	11,220	11,220	Subsidiary Note 4
GlobalWafers	Sunrise PV Five	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	274,872	18	18	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	242,845	(4,383)	(4,383)	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,458,506	111,311	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	-	-	-	-	-	Subsidiary Note 4 and 7
GWafers Singapore	GWS	Singapore	Investment activitie	-	14,671,320 (USD406,898)	-	-	-	-	-	Subsidiary Note 4 and 6
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,155,032	371,700	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	3,342	522	-	Subsidiary Note 4
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	23,383,090	2,100,372	-	Subsidiary Note 4
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	14,646,733	762,284	-	Subsidiary Note 4
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	4,783	775	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,584,911	169,063	-	Subsidiary Note 4
GTI	MEMC LLC	United states	Research and development, manufacturing and trading of silicon wafers	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	5,152,664	313,686	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Research and development, manufacturing and trading of silicon wafers	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,282,989	48,161	-	Subsidiary Note 4
GTI	GWA	United states	Manufacturing and trading of silicon wafers	31 (USD1)	31 (USD1)	1	100.00 %	3,345,032	(73,803)	-	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: On January 1, 2023, GWafer Singapore merged with its subsidiary GWS. GWS was dissolved while GWafer Singapore continued to exist and was renamed as Global Wafers Singapore (abbreviated as GWS).

Note 7: Liquidation procedures of Topsil PL had been completed in June 2023.

Sino-American Silicon Products Inc. and Subsidiaries
Information on investment in mainland China
For the period ended September 30, 2023

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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2023	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	1,429,778 (Note 5)	Note 1	713,300 (USD21,729)	-	-	713,300 (USD21,729)	209,717	100%	209,717	3,006,534	-
KST	Trading and marketing business	26,587	Note 6	-	-	-	-	34,597	100%	34,597	71,706	-
SSKT	Manufacturing and distributing lithium tantalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(31,936)	100%	(31,936)	409,389	-
MHTM	Manufacturing and distributing lithium tantalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(11,975)	90%	(10,778)	48,214	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD21,729)	1,703,173 (USD56,164) (Note 3)	39,709,357 (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 GlobalWafers' net equity on September 30, 2023.

Note 5: Retained earnings transferred to capital was included.

Note 6: KST was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.

Note 7: SSKT was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.

Note 8: MHTM is Chinese-based investment company invested by SSKT.