

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	9~10
(4) Summary of significant accounting policies	10~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	14
(6) Explanation of significant accounts	14~51
(7) Related-party transactions	51~54
(8) Pledged assets	54~55
(9) Commitments and contingencies	55~57
(10) Losses due to major disasters	57
(11) Subsequent Events	57
(12) Other	57
(13) Other disclosures	
(a) Information on significant transactions	58、61~75
(b) Information on investees	58、76~78
(c) Information on investment in mainland China	58、79
(d) Major shareholders	58
(14) Segment information	59~60



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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 March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 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 Interim 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 \$6,179,678 thousand and \$6,314,289 thousand, constituting 3% and 4% of consolidated total assets at March 31, 2023 and 2022, respectively, total liabilities amounting to \$1,758,858 thousand and \$1,743,536 thousand, constituting 1% and 2% of consolidated total liabilities at March 31, 2023 and 2022, respectively, and total comprehensive income (loss) amounting to \$(70,394) thousand and \$(14,928) thousand, constituting (2)% and (1)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2023 and 2022, respectively.

Furthermore, as stated in Note 6(7), the other equity-method accounted investments of the Sino-American Silicon Products Inc. and its subsidiaries amounting to \$56,029 thousand and \$55,289 thousand at March 31, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$1,158 thousand and \$(493) thousand for the three months ended March 31, 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-method 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 March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 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’ report are An-Chih Cheng and Mei-Yu Tseng.

KPMG

Taipei, Taiwan (Republic of China)
May 5, 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)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and Equity		March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 76,666,964	38	83,247,854	42	71,311,882	43	2100	Short-term borrowings (notes 6(13) and 8)	\$ 11,623,950	6	9,796,000	5	8,460,149	5
1110	Financial assets at fair value through profit or loss—current (note 6(2))	9,295	-	32,415	-	2,425	-	2120	Financial liabilities at fair value through profit or loss—current (note 6(2))	4,593	-	1,219	-	87,519	-
1136	Financial assets measured at amortized cost—current (notes 6(4) and 7)	330,018	-	331,609	-	333,237	-	2130	Contract liabilities—current (note 6(22))	10,111,490	5	10,514,416	5	8,306,521	5
1170	Notes and accounts receivable, net (notes 6(5) and (22))	11,233,400	6	11,255,045	6	10,585,779	6	2170	Notes and accounts payable	5,440,495	3	5,129,293	3	4,498,122	3
1180	Accounts receivable due from related parties, net (notes 6(22) and 7)	65,358	-	83,043	-	137,792	-	2180	Accounts payable to related parties (note 7)	101	-	1,195	-	13	-
130X	Inventories (note 6(6))	10,994,400	5	10,789,580	6	9,144,120	6	2201	Payroll and bonus payable	4,683,307	2	4,392,988	2	3,648,577	2
1476	Other financial assets—current (notes 6(1), 8 and 9)	16,094,180	8	8,490,021	4	3,502,296	2	2216	Dividends payable	-	-	3,257,330	2	-	-
1479	Other current assets (note 6(12))	1,657,342	1	1,822,111	1	1,501,385	1	2250	Provisions—current (note 6(17))	440,974	-	441,556	-	362,621	-
		<u>117,050,957</u>	<u>58</u>	<u>116,051,678</u>	<u>59</u>	<u>96,518,916</u>	<u>58</u>	2230	Current tax liabilities	5,587,625	3	4,889,132	2	2,693,032	2
Non-current assets:								2322	Long-term borrowings, current portion (note 6(14))	222,176	-	35,316	-	32,919	-
1513	Financial assets at fair value through profit or loss—non-current (note 6(2))	9,343,908	5	9,331,720	5	12,461,799	7	2399	Other current liabilities (notes 6(16), 7 and 9)	5,841,644	3	5,144,003	3	4,044,984	2
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	2,009,761	1	1,444,845	1	1,406,203	1			<u>43,956,355</u>	<u>22</u>	<u>43,602,448</u>	<u>22</u>	<u>32,134,457</u>	<u>19</u>
1550	Investments accounted for using equity method (note 6(7))	2,711,531	1	2,507,749	1	6,476,167	4	Non-Current liabilities:							
1600	Property, plant and equipment (notes 6(9) and 8)	55,243,527	27	51,865,962	27	41,595,816	25	2527	Contract liabilities—non-current (notes 6(22) and 9)	28,353,001	14	29,046,638	15	25,912,848	15
1755	Right-of-use assets (note 6(10))	1,159,785	1	815,962	-	798,495	-	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (15))	282,756	-	466,831	-	555,449	-
1780	Intangible assets (note 6(11))	7,000,573	3	7,124,580	4	3,014,136	2	2530	Convertible bonds (note 6(15))	21,858,982	11	23,793,835	12	26,222,290	16
1840	Deferred tax assets (note 6(19))	2,704,812	1	2,699,496	1	1,977,397	1	2531	Bonds payable (note 6(15))	18,987,445	9	18,986,110	10	18,982,105	11
1980	Other financial assets—non-current (notes 8 and 9)	220,733	-	203,658	-	1,124,911	1	2540	Long-term borrowings (notes 6(14) and 8)	5,274,189	3	868,325	-	938,184	1
1990	Other non-current assets (note 6(12))	5,197,347	3	4,563,740	2	1,829,722	1	2550	Provisions—non-current (note 6(17))	3,212,378	2	3,322,452	2	3,536,200	2
		<u>85,591,977</u>	<u>42</u>	<u>80,557,712</u>	<u>41</u>	<u>70,684,646</u>	<u>42</u>	2570	Deferred tax liabilities (note 6(19))	4,806,588	2	4,613,886	2	2,346,325	2
								2670	Other non-current liabilities (notes 6(16) and 7)	2,614,860	1	2,237,993	1	844,037	1
								2640	Defined benefit liabilities (note 6(18))	1,515,575	1	1,539,328	1	1,831,757	1
										<u>86,905,774</u>	<u>43</u>	<u>84,875,398</u>	<u>43</u>	<u>81,169,195</u>	<u>49</u>
								Total liabilities		<u>130,862,129</u>	<u>65</u>	<u>128,477,846</u>	<u>65</u>	<u>113,303,652</u>	<u>68</u>
								Equity (note 6(20)):							
								3110	Ordinary shares	5,862,217	3	5,862,217	3	5,862,217	3
								3200	Capital surplus	16,847,073	8	16,846,163	8	18,160,760	11
								3300	Retained earnings	17,607,648	8	15,138,189	8	11,074,758	6
								3400	Other equity interest	(6,477,902)	(3)	(5,973,997)	(3)	(5,660,028)	(3)
									Total equity attributable to shareholders of the Company	33,839,036	16	31,872,572	16	29,437,707	17
								36XX	Non-controlling interests (note 6(8))	37,941,769	19	36,258,972	19	24,462,203	15
								Total equity		<u>71,780,805</u>	<u>35</u>	<u>68,131,544</u>	<u>35</u>	<u>53,899,910</u>	<u>32</u>
Total assets		<u>\$ 202,642,934</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>	<u>167,203,562</u>	<u>100</u>	Total liabilities and equity		<u>\$ 202,642,934</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>	<u>167,203,562</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended March 31,			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(22) and 7)	\$ 20,903,549	100	18,769,419	100
5000	Operating costs (notes 6(6), (9), (11), (17), (18), (23) and 7)	<u>13,311,120</u>	<u>64</u>	<u>11,307,241</u>	<u>60</u>
	Gross profit from operations	<u>7,592,429</u>	<u>36</u>	<u>7,462,178</u>	<u>40</u>
	Operating expenses (notes 6(9), (11), (17), (18), (23) and 7):				
6100	Selling expenses	430,327	2	446,091	2
6200	Administrative expenses	724,091	3	299,688	2
6300	Research and development expenses	616,483	3	510,870	3
6450	Expected credit losses (reversal gains) (note 6(5))	<u>23,234</u>	<u>-</u>	<u>121</u>	<u>-</u>
	Total operating expenses	<u>1,794,135</u>	<u>8</u>	<u>1,256,770</u>	<u>7</u>
	Net operating income	<u>5,798,294</u>	<u>28</u>	<u>6,205,408</u>	<u>33</u>
	Non-operating income and expenses:				
7100	Interest income (notes 6(24) and 8)	749,906	4	81,024	-
7020	Other gains and losses (note 6(25))	191,091	1	(5,516,926)	(29)
7050	Finance costs (note 6(24))	(182,786)	(1)	(119,580)	(1)
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	<u>51,682</u>	<u>-</u>	<u>53,053</u>	<u>-</u>
		<u>809,893</u>	<u>4</u>	<u>(5,502,429)</u>	<u>(30)</u>
	Income before income tax	6,608,187	32	702,979	3
7950	Less: Income tax expense (note 6(19))	<u>1,893,706</u>	<u>9</u>	<u>(1,445,768)</u>	<u>(8)</u>
	Net income	<u>4,714,481</u>	<u>23</u>	<u>2,148,747</u>	<u>11</u>
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	47,588	-	(74,067)	-
8320	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (26))	150,743	1	(587,079)	(3)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(19))	<u>36,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>235,051</u>	<u>1</u>	<u>(661,146)</u>	<u>(3)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(1,591,530)	(8)	465,255	2
8370	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (26))	504	-	7,304	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(19))	<u>288,739</u>	<u>(1)</u>	<u>(81,179)</u>	<u>-</u>
		<u>(1,302,287)</u>	<u>(7)</u>	<u>391,380</u>	<u>2</u>
8300	Other comprehensive income (after tax)	<u>(1,067,236)</u>	<u>(6)</u>	<u>(269,766)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 3,647,245</u>	<u>17</u>	<u>1,878,981</u>	<u>10</u>
	Net income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 2,469,459	12	1,265,072	6
	Non-controlling interests	<u>2,245,022</u>	<u>11</u>	<u>883,675</u>	<u>5</u>
		<u>\$ 4,714,481</u>	<u>23</u>	<u>2,148,747</u>	<u>11</u>
	Total comprehensive income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 1,965,610	9	1,042,634	6
	Non-controlling interests	<u>1,681,635</u>	<u>8</u>	<u>836,347</u>	<u>4</u>
		<u>\$ 3,647,245</u>	<u>17</u>	<u>1,878,981</u>	<u>10</u>
	Earnings per share (NT dollars) (note 6(21))				
9750	Basic earnings per share	<u>\$ 4.21</u>		<u>2.16</u>	
9850	Diluted earnings per share	<u>\$ 4.18</u>		<u>2.15</u>	

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

Sino-American Silicon Products Inc. and subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 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	Retained earnings			Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income		Total other equity interest				
			Legal reserve	Special reserve	Unappropriated retained earnings		Total retained earnings	Others					
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	-	-	-	-	1,265,072	1,265,072	-	-	-	-	1,265,072	883,675	2,148,747
Other comprehensive income for the period	-	-	-	-	-	-	222,292	(444,730)	-	(222,438)	(222,438)	(47,328)	(269,766)
Comprehensive income for the period	-	-	-	-	1,265,072	1,265,072	222,292	(444,730)	-	(222,438)	1,042,634	836,347	1,878,981
Changes in equity of associates accounted for using equity method	-	(143,426)	-	-	-	-	-	-	1,417	1,417	(142,009)	-	(142,009)
Balance at March 31, 2022	\$ 5,862,217	18,160,760	1,342,786	1,330,442	8,401,530	11,074,758	(4,683,242)	(972,147)	(4,639)	(5,660,028)	29,437,707	24,462,203	53,899,910
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	-	-	-	-	2,469,459	2,469,459	-	-	-	-	2,469,459	2,245,022	4,714,481
Other comprehensive income for the period	-	-	-	-	-	-	(668,553)	164,704	-	(503,849)	(503,849)	(563,387)	(1,067,236)
Comprehensive income for the period	-	-	-	-	2,469,459	2,469,459	(668,553)	164,704	-	(503,849)	1,965,610	1,681,635	3,647,245
Changes in equity of associates accounted for using equity method	-	910	-	-	-	-	-	-	(56)	(56)	854	-	854
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,162	1,162
Balance at March 31, 2023	\$ 5,862,217	16,847,073	2,031,108	5,439,008	10,137,532	17,607,648	(5,284,800)	(1,190,285)	(2,817)	(6,477,902)	33,839,036	37,941,769	71,780,805

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 6,608,187	702,979
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	1,958,535	1,585,258
Amortization expenses	91,407	60,602
Expected credit losses	23,234	121
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(62,758)	6,430,419
Interest expenses	182,786	119,580
Interest income	(749,906)	(81,024)
Dividend income	(2,081)	-
Shares of profit of associates accounted for using equity method	(51,682)	(53,053)
Loss (gain) on disposal of property, plant and equipment	12,785	(48,521)
Gains on disposal of investments	-	(38,212)
Recognition (reversal) of write-down of inventory	113,373	(7,260)
Reversal of provisions	(111,018)	(79,950)
Total adjustments	1,404,675	7,887,960
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	16,103	(751,379)
Inventories	(315,730)	(491,479)
Prepayments	(7,585)	173,948
Other financial assets	21,614	25,908
Other operating assets	(144,267)	(199,889)
Contract liabilities	(901,229)	3,643,528
Notes and accounts payable (including related parties)	(1,864,890)	(73,661)
Net defined benefit liabilities	(23,753)	(5,675)
Other operating liabilities	(32,289)	(1,791,729)
Total changes in operating assets and liabilities	(3,252,026)	529,572
Total adjustments	(1,847,351)	8,417,532
Cash inflow generated from operations	4,760,836	9,120,511
Interest received	709,344	72,575
Dividends received	2,081	-
Interest paid	(92,344)	(10,467)
Income taxes paid	(698,417)	(643,778)
Net cash flows generated from operating activities	4,681,500	8,538,841

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
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Sino-American Silicon Products Inc. and subsidiaries
Consolidated Statements of Cash Flows(Continued)
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(529,880)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,575	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	9,622	6,158
Acquisition of financial assets at amortized cost	-	(231,192)
Acquisition of financial assets at fair value through profit or loss	-	(12,212)
Net cash inflows from disposal of investments accounted for using equity method	-	38,922
Acquisition of property, plant and equipment	(5,344,743)	(2,142,373)
Proceeds from disposal of property, plant and equipment	41,980	51,879
Acquisition of intangible assets	(2,685)	(1,501)
Decrease (increase) in other financial assets	(7,600,696)	501,788
Net cash flows used in investing activities	(13,423,827)	(1,788,531)
Cash flows from financing activities:		
Increase in short-term loans	1,827,950	700,847
Repayments of bonds	(2,029,803)	-
Increase in long-term borrowings	4,652,965	-
Repayments of long-term borrowings	(35,570)	(92,225)
Increase in guarantee deposits received	57,249	10,015
Repayment of the principal portion of lease liabilities	(50,312)	(51,181)
Cash dividends and capital surplus distribution	(3,257,330)	(3,751,986)
Change in non-controlling interests	1,162	-
Net cash flows (used in) generated from financing activities	1,166,311	(3,184,530)
Effect of exchange rate changes on cash and cash equivalents	995,126	628,196
Increase (decrease) in cash and cash equivalents	(6,580,890)	4,193,976
Cash and cash equivalents at beginning of period	83,247,854	67,117,906
Cash and cash equivalents at end of period	\$ 76,666,964	71,311,882

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

March 31, 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 May 5, 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”

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

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

- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS 16 “Requirements for Sale and Leaseback Transactions”

4. Summary of significant 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 significant 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
			March 31, 2023	December 31, 2022	March 31, 2022	
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	100%	Note 5
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 5
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	100%	Note 5
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Power generating business	100%	100%	100%	Note 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
			March 31, 2023	December 31, 2022	March 31, 2022	
Sino-American Silicon Products Inc.	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	100%	Note 5
Sino-American Silicon Products Inc.	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	100%	100%	100%	Note 5
Sino-American Silicon Products Inc.	Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	Semiconductor special gas and chemical materials	30.09%	30.09%	30.93%	Note 5
Sino-American Silicon Products Inc.	Advanced Wireless Semiconductor Company (Advanced Wireless)	Manufacturing and trading of GaAs Wafers	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 5
SAS Sunrise Inc.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	-	Note 2 and 5
AMLED	Sulu	Power generating business	45%	45%	45%	Note 5
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	100%	Note 5
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	100%	
GlobalWafers	GlobalWafers Inc. (GWI)	Investment activities	-	-	100%	Note 3(4)
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of semiconductor silicon materials	100%	100%	100%	
GlobalWafers	GWafers Singapore Pte. Ltd. (GWafers Singapore)	Investment activities	-	100%	100%	Note 3(7)
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%	99.95%	Note 3(2)
GlobalWafers	GlobalWafers B.V. (GWBV)	Investment activities	100%	100%	-	Note 3(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
			March 31, 2023	December 31, 2022	March 31, 2022	
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%	-	Note 3(3)
GWafers Singapore	GlobalWafers Singapore Pte Ltd. (GWS)	Investment holding and trading	100%	100%	100%	Note 3(1) and 3(7)
GWS	GWBV	Investment activities	-	-	100%	Note 3(6)
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%	
GWBV	GW GmbH	Manufacturing and trading of semiconductor silicon materials	-	-	0.05%	Note 3(2)
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%	-	Note 3(5)
Topsil A/S	Topsil Semiconductor sp z o o. (Topsil PL)	Manufacturing and trading of silicon wafers	100%	100%	100%	

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

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

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

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

- (1) Formerly known as SunEdison.
- (2) GW GmbH was originally 100% held by GWBV. On March 15, 2022, the Board of Directors of GlobalWafers approved directly to increase the capital of GW GmbH and obtain 99.95% of the equity of GW GmbH; on September 30, 2022, GlobalWafers acquired 0.05% equity of GW GmbH from GWBV, and the above investment were fully paid and registered.
- (3) KST was established in May 2022.
- (4) Liquidation procedures of GWI had been completed in November 2022.
- (5) GWA was established in August 2022.
- (6) 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.
- (7) GWafers Singapore and GWS merged on January 1st, 2022. GWafers Singapore is the surviving company and was renamed to GWS.

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: The abovementioned subsidiaries are all non-significant subsidiaries, the financial statements of which have not been reviewed by independent auditors.

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

(3) Income tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. 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.

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 7,576	12,118	6,426
Demand deposits	26,908,418	45,695,674	18,652,558
Time deposits	48,748,912	37,447,741	52,055,533
Repurchase agreement	<u>1,002,058</u>	<u>92,321</u>	<u>597,365</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 76,666,964</u>	<u>83,247,854</u>	<u>71,311,882</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group considered liquidity and reclassified time deposits to other financial assets – current, amounting to 13,006,682 thousand, 5,194,689 thousand and 868,610 thousand.

Please refer to note 6(27) 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”)

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets mandatorily measured at fair value through profit or loss – current:			
Forward exchange contracts	<u>\$ 9,295</u>	<u>32,415</u>	<u>2,425</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets mandatorily measured at fair value through profit or loss – non-current:			
Overseas securities held	\$ 9,136,060	9,145,927	12,237,643
Privately offered funds	<u>207,848</u>	<u>185,793</u>	<u>224,156</u>
	<u>\$ 9,343,908</u>	<u>9,331,720</u>	<u>12,461,799</u>
Held-for-trading financial liabilities – current:			
Forward exchange contracts	\$ 2,037	-	87,128
Swap exchange contract	<u>2,556</u>	<u>1,219</u>	<u>391</u>
	<u>\$ 4,593</u>	<u>1,219</u>	<u>87,519</u>
Financial assets mandatorily measured at fair value through profit or loss – non-current:			
Derivative instruments – convertible bonds	<u>\$ 282,756</u>	<u>466,831</u>	<u>555,449</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(25).

For the three months ended March 31, 2023 and 2022, the dividends of \$2,081 thousand and \$0 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedging accounting and accounted them as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities as of March 31, 2023, December 31 and March 31, 2022:

March 31, 2023				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	36,450	USD to EUR	April 27, 2023~ June 28, 2023
Swap exchange contract:				
Currency exchange	EUR	3,500	EUR to USD	May 3, 2023~ June 12, 2023

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

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
March 31, 2022				
	Contract amount	(in thousands)	Currency	Maturity date
Forward exchange contracts sold	USD	29,550	USD to EUR	April 28, 2022~ May 27, 2022
Forward exchange contracts sold	USD	4,330	USD to KRW	April 29, 2022
Forward exchange contracts purchased	JPY	50,000	JPY to EUR	April 28, 2022
Forward exchange contracts purchased	JPY	198,557	JPY to KRW	April 29, 2022
Forward exchange contracts purchased	EUR	492	EUR to KRW	April 29, 2022
Forward exchange contracts purchased	JPY	5,000,000	JPY to NTD	April 13, 2022~ May 26, 2022
Foreign exchange swap contracts	EUR	2,000	EUR to NTD	April 22, 2022

For the disclosure of market risk, please refer to note 6(27).

The financial assets mentioned above were not pledged as collateral.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Equity investments at fair value through other comprehensive income:			
Equity investment in foreign entities	\$ 935,682	1,115,001	1,163,704
Equity investment in domestic entities	1,074,079	329,844	242,499
Total	\$ 2,009,761	1,444,845	1,406,203

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.

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

No strategic investments were disposed for the three months ended March 31, 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(27).

The financial assets mentioned above were not pledged as collateral.

(4) Financial assets measured at amortized cost – current

	March 31, 2023	December 31, 2022	March 31, 2022
Corporate bonds – Crystalwise Technology Inc.	<u>\$ 330,018</u>	<u>331,609</u>	<u>333,237</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 March 31, 2023, and the capital and interest repayments will be made in full.

For the disclosure of credit risk, please refer to note 6(27).

The financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 161,622	164,872	159,425
Accounts receivable	11,118,321	11,113,490	10,437,827
Less: Allowance for doubtful accounts	<u>(46,543)</u>	<u>(23,317)</u>	<u>(11,473)</u>
	<u>\$ 11,233,400</u>	<u>11,255,045</u>	<u>10,585,779</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.

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 solar energy segment was determined as follows:

	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 817,056	0%	-
1 to 30 days past due	66,665	0%	-
More than 181 days past due	3,490	100%	3,490
Total	\$ 887,211		3,490

	December 31, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 905,528	0%	-
1 to 30 days past due	114,199	0%	-
More than 181 days past due	4,197	100%	4,197
Total	\$ 1,023,924		4,197

	March 31, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 1,090,276	0%	-
1 to 30 days past due	130,194	0%	-
91 to 120 days past due	3,998	100%	3,998
Total	\$ 1,224,468		3,998

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

	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,272,661	0%	-
1 to 30 days past due	126,475	2%	2,820
31 to 60 days past due	20,912	22%	4,690
91 to 120 days past due	3	0%	-
More than 151 days past due	24,459	100%	24,459
More than 181 days past due	11,084	100%	11,084
Total	\$ 10,455,594		43,053

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

	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
	March 31, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 9,327,196	0%	-
1 to 30 days past due	85,389	0%	-
31 to 60 days past due	5,499	13%	707
More than 181 days past due	6,768	100%	6,768
Total	\$ 9,424,852		7,475

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

	For the three months ended March 31,	
	2023	2022
Balance on January 1	\$ 23,317	11,275
Expected credit loss recognized	23,234	121
Foreign exchange gains (losses)	(8)	77
Balance on March 31	\$ 46,543	11,473

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

(6) Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$ 2,682,356	2,559,516	1,887,138
Work in progress	2,970,318	3,000,636	2,471,708
Raw materials	5,341,726	5,229,428	4,785,274
	\$ 10,994,400	10,789,580	9,144,120

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

Components of operating costs were as follows:

	For the three months ended	
	March 31,	
	2023	2022
Cost of goods sold	\$ 13,009,962	11,305,142
Recognition (reversal) of provisions for inventory valuation loss	113,373	(7,260)
Unallocated fixed manufacturing expense	271,970	87,069
Reversal of provision loss	(84,185)	(77,710)
	<u>\$ 13,311,120</u>	<u>11,307,241</u>

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

(7) Investments accounted for using equity method

Names of affiliated companies	Relationship with the Group	Main location/ country registered in	Percentage of equity ownership interests and voting rights		
			March 31, 2023	December 31, 2022	March 31, 2022
Actron Technology Corporation (Actron)	Mainly engages in the manufacturing of electronic component	Taiwan	22.75%	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%	33.31%
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%
Advanced Wireless Semiconductor Company (Advanced Wireless)	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	Note 4(2)	Note 4(2)	24.24%

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

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount of individually insignificant associates' equity	<u>\$ 2,711,531</u>	<u>2,507,749</u>	<u>6,476,167</u>

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

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 March 31,	
	2023	2022
Attributable to the Group:		
Net income	\$ 51,682	53,053
Other comprehensive income	151,247	(579,775)
Total comprehensive income	\$ 202,929	(526,722)

A. Collateral

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

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

Except for Crystalwise, Actron, Hongwang, Advanced Wireless, investments were 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) 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		
		March 31, 2023	December 31, 2022	March 31, 2022
GlobalWafers	Taiwan	48.83 %	48.83 %	48.83 %
Advanced Wireless	Taiwan	72.38 %	72.38 %	Note 4(2)

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.

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

A. The following summarizes the financial information of GlobalWafers:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Current assets	\$ 111,565,213	109,597,731	93,368,813
Non-current assets	64,405,698	59,898,247	56,436,814
Current liabilities	(36,366,243)	(35,793,648)	(27,092,485)
Non-current liabilities	<u>(81,435,988)</u>	<u>(79,378,325)</u>	<u>(75,427,329)</u>
Net assets	<u>\$ 58,168,680</u>	<u>54,324,005</u>	<u>47,285,813</u>
Non-controlling interests	<u>\$ 28,403,766</u>	<u>26,526,412</u>	<u>23,089,583</u>
		For the three months ended	
		March 31,	
		<u>2023</u>	<u>2022</u>
Sales revenue		<u>\$ 18,616,154</u>	<u>16,306,525</u>
Net income		\$ 5,000,228	1,745,836
Other comprehensive income		<u>(1,155,553)</u>	<u>(91,526)</u>
Net profit attributable to non-controlling interests		<u>\$ 3,844,675</u>	<u>1,654,310</u>
Net income, attributable to non-controlling interests		<u>\$ 2,441,611</u>	<u>852,492</u>
Comprehensive income, attributable to non-controlling interests		<u>\$ 1,877,355</u>	<u>807,800</u>
Net cash flows from operating activities		\$ 4,502,040	8,520,728
Net cash flows from investing activities		(12,661,437)	(1,345,119)
Net cash flows from financing activities		878,351	(3,407,857)
Effects of changes in foreign exchange rates		<u>990,517</u>	<u>691,534</u>
Net increase (decrease) in cash and cash equivalents		<u>\$ (6,290,529)</u>	<u>4,459,286</u>

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

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Current assets	\$ 2,305,361	2,689,541
Non-current assets	5,345,621	5,214,027
Current liabilities	(291,699)	(408,343)
Non-current liabilities	<u>(155,503)</u>	<u>(96,998)</u>
Net assets	<u>\$ 7,203,780</u>	<u>7,398,227</u>
Non-controlling interests	<u>\$ 5,214,096</u>	<u>5,354,837</u>

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

	For the three months ended March 31, 2023
Sales revenue	\$ <u>341,676</u>
Net income (loss)	\$ <u>(195,610)</u>
Net profit attributable to non-controlling interests	\$ <u>(195,610)</u>
Net income, attributable to non-controlling interests	\$ <u>(141,583)</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>(141,583)</u>
Net cash flows from operating activities	\$ 7,557
Net cash flows from investing activities	(182,337)
Net cash flows from financing activities	<u>59,693</u>
Net decrease in cash and cash equivalents	\$ <u>(115,087)</u>

(9) Property, plant and equipment

A. The movements of cost, depreciation and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2023	\$ 4,075,968	21,157,254	54,827,539	10,996,666	9,096,604	100,154,031
Additions	4	4,336	449,438	222,531	5,031,809	5,708,118
Disposals	-	(22,438)	(269,978)	(135,848)	-	(428,264)
Reclassification and transfer	1,193	21,091	553,154	274,959	(580,955)	269,442
Effect of changes in exchange rates	<u>(68,522)</u>	<u>(236,603)</u>	<u>(1,042,028)</u>	<u>(80,821)</u>	<u>(59,841)</u>	<u>(1,487,815)</u>
Balance at March 31, 2023	\$ <u>4,008,643</u>	<u>20,923,640</u>	<u>54,518,125</u>	<u>11,277,487</u>	<u>13,487,617</u>	<u>104,215,512</u>
Balance at January 1, 2022	\$ 3,842,571	19,586,597	44,302,218	9,146,410	3,776,143	80,653,939
Additions	-	3,899	112,163	229,577	2,349,987	2,695,626
Disposals	-	(12,236)	(639,479)	(10,860)	-	(662,575)
Reclassification and transfer	-	76,179	1,318,888	11,190	(1,712,746)	(306,489)
Effect of changes in exchange rates	<u>15,079</u>	<u>20,703</u>	<u>(53,920)</u>	<u>122,257</u>	<u>9,394</u>	<u>113,513</u>
Balance at March 31, 2022	\$ <u>3,857,650</u>	<u>19,675,142</u>	<u>45,039,870</u>	<u>9,498,574</u>	<u>4,422,778</u>	<u>82,494,014</u>

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

	<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>
Depreciation and impairment loss:						
Balance at January 1, 2023	\$ -	10,530,885	32,490,225	5,215,953	51,006	48,288,069
Depreciation for the period	-	200,823	1,514,730	195,882	-	1,911,435
Disposals	-	(19,975)	(256,272)	(135,838)	-	(412,085)
Reclassification and transfer	-	-	813	-	-	813
Effect of changes in exchange rates	-	(115,219)	(664,130)	(36,569)	(329)	(816,247)
Balance at March 31, 2023	<u>\$ -</u>	<u>10,596,514</u>	<u>33,085,366</u>	<u>5,239,428</u>	<u>50,677</u>	<u>48,971,985</u>
Balance at January 1, 2022	\$ -	9,687,568	26,362,424	4,163,335	12,140	40,225,467
Depreciation for the period	-	192,285	1,167,686	177,901	-	1,537,872
Disposals	-	(6,696)	(638,104)	(10,734)	-	(655,534)
Reclassification and transfer	-	-	(1)	-	-	(1)
Effect of changes in exchange rates	-	(48,208)	(205,812)	44,414	-	(209,606)
Balance at March 31, 2022	<u>\$ -</u>	<u>9,824,949</u>	<u>26,686,193</u>	<u>4,374,916</u>	<u>12,140</u>	<u>40,898,198</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 March 31, 2023	<u>\$ 4,008,643</u>	<u>10,327,126</u>	<u>21,432,759</u>	<u>6,038,059</u>	<u>13,436,940</u>	<u>55,243,527</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 March 31, 2022	<u>\$ 3,857,650</u>	<u>9,850,193</u>	<u>18,353,677</u>	<u>5,123,658</u>	<u>4,410,638</u>	<u>41,595,816</u>

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.

(10) 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 March 31, 2023	<u>\$ 610,483</u>	<u>105,351</u>	<u>72</u>	<u>443,879</u>	<u>1,159,785</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 March 31, 2022	<u>\$ 571,479</u>	<u>136,187</u>	<u>214</u>	<u>90,615</u>	<u>798,495</u>

The leased assets recognized by the consolidated company, such as land, buildings machinery and equipment did not have significant additions, impairment or reversals during the period from for the three months ended March 31, 2023 and 2022. For further information, please refer to note 6(11) of the consolidated financial statements for the year ended 2022.

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

(11) Intangible assets

There were no significant additions, disposals, impairments, or reversals of intangible assets by the consolidated company during the period for the three months ended March 31, 2023 and 2022. For further details, please refer to note 6(12) in the consolidated financial statements for the year ended 2022.

(12) Other assets— current and non-current

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Prepayment of materials	\$ 1,174,399	1,166,814	1,548,773
Tax refunds and credits	917,488	775,112	825,755
Prepayment of equipment	4,028,072	3,544,427	323,135
Others	<u>734,730</u>	<u>899,498</u>	<u>633,444</u>
	<u>\$ 6,854,689</u>	<u>6,385,851</u>	<u>3,331,107</u>

(13) Short-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured bank loans	\$ 11,623,950	9,796,000	8,364,000
Purchase of materials loan	<u>-</u>	<u>-</u>	<u>96,149</u>
	<u>\$ 11,623,950</u>	<u>9,796,000</u>	<u>8,460,149</u>
Unused credit lines	<u>\$ 49,232,779</u>	<u>50,900,688</u>	<u>39,112,005</u>
Range of interest rates at the year end	<u>1.39%~3.51%</u>	<u>1.24%~1.99%</u>	<u>0.20%~0.83%</u>

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

(14) Long-term borrowings

The details of long-term borrowings were as follows:

March 31, 2023				
	<u>Currency</u>	<u>Interest</u>	<u>Maturity</u>	<u>Amount</u>
Secured bank loans	JPY	0.16%~0.28%	2026.01~2026.03	\$ 4,576,000
Unsecured borrowings	USD	5.80%	2029.12	860,365
Unsecured borrowings	NTD	1.13%~1.21%	2028.03	60,000
Less: current portion				<u>(222,176)</u>
Total				<u>\$ 5,274,189</u>
December 31, 2022				
	<u>Currency</u>	<u>Interest</u>	<u>Maturity</u>	<u>Amount</u>
Unsecured borrowings	USD	5.22%	2019.12	\$ 903,641
Less: current portion				<u>(35,316)</u>
Total				<u>\$ 868,325</u>

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

	March 31, 2022			
	Currency	Interest	Maturity	Amount
Unsecured borrowings	USD	1.30%	2029.12	\$ 971,103
Less: current portion				(32,919)
Total				<u>\$ 938,184</u>
		March 31, 2023	December 31, 2022	March 31, 2022
Unused credit lines		<u>\$ 890,000</u>	<u>2,324,000</u>	<u>2,808,960</u>

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

(15) Bonds payable

The details of bonds payable were as follow:

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured corporate bonds	\$ 18,987,445	18,986,110	18,982,105
Unsecured convertible bonds	<u>21,858,982</u>	<u>23,793,835</u>	<u>26,222,290</u>
Total	<u>\$ 40,846,427</u>	<u>42,779,945</u>	<u>45,204,395</u>

- A. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue unsecured common bonds for the first time in 2021. On May 11, 2021, Taipei Fubon Commercial Bank, was entrusted to issue the bonds. The bonds were issued for a term of five years and matured on May 11, 2026. The total amount of the bond is \$6,500,000 thousand and the coupon rate is 0.62% .
- B. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the second unsecured corporate bonds for the year 2021, which were entrusted to Taipei Fubon Commercial Bank on August 19, 2021. The total amount of the bonds is \$12,500,000 thousand, which were divided into two types of notes, A and B, depending on the terms of issuance, amounting to \$7,100,000 thousand and \$5,400,000 thousand, respectively, with maturities of three years and five years, and maturing on August 19, 2024, and August 19, 2026, respectively, with coupon rates of 0.5% and 0.6%, respectively.
- C. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first overseas unsecured convertible bonds, which were approved by the FSC in letter No. 1100342091 dated May 19, 2021. On June 1, 2021, the bonds were issued on the Singapore Stock Exchange for a period of five years and matured on June 1, 2021. The maturity date is June 1, 2026, and the total amount of the issue is US\$1,000,000 thousand with 0% interest rate.

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

The details of unsecured convertible bonds were as follow:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Total amount of convertible bonds issued	\$ 22,703,268	24,787,249	27,565,891
Unamortized balance of discount on bonds payable	(844,286)	(993,414)	(1,343,601)
Accumulated Converted Amount	-	-	-
Balance at the end of period	<u>\$ 21,858,982</u>	<u>23,793,835</u>	<u>26,222,290</u>
Embedded derivatives - redemption rights and conversion rights (reported as financial liabilities at fair value through profit or loss - non-current)	<u>\$ 282,756</u>	<u>466,831</u>	<u>555,449</u>
		For the three months ended March 31,	
		<u>2023</u>	<u>2022</u>
Embedded derivatives – net gains and losses of call and conversion options remeasured at fair value, included in other gains and losses		<u>\$ 171,203</u>	<u>(376,812)</u>
Interest expense		<u>\$ 68,057</u>	<u>78,320</u>

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 bond 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, and NT\$1,018.54 to NT\$1,003.09 on July 22, 2021, January 13, 2022, and July 19, 2022, respectively, the days after the ex-dividend base dates, in accordance with the aforementioned provisions. Starting from January 12, 2023, the conversion price of the overseas unsecured convertible corporate bonds has been adjusted from NT\$1,003.09 to NT\$988.86. As of March 31, 2023, the conversion price of this bond has been adjusted for the fourth times.

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

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 purchased a portion of its overseas unsecured convertible corporate bonds during the period January 1 to March 31 of 2023 and 2022 (with respective face values of US\$75,600 thousand and 0 thousand). At the same time, the expired conversion rights were reclassified from capital surplus-stock options to of capital surplus-others in the amounts of 128,782 thousand 0 thousand. As of March 31, 2023, 2022 and December 31, 2022, the outstanding balance of GlobalWafers overseas unsecured convertible corporate bonds was US\$823,600 thousand, US\$899,200 thousand and US\$1,000,000 thousand, respectively.

(16) Lease liabilities

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current (recognized under other current liabilities)	\$ <u>180,228</u>	<u>119,228</u>	<u>147,491</u>
Non-current (recognized under other non-current liabilities)	\$ <u>990,033</u>	<u>705,800</u>	<u>656,843</u>

For the maturity analysis, please refer to note 6(27) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	\$ <u>4,676</u>	<u>2,474</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>1,507</u>	<u>775</u>
Expenses relating to short-term leases	\$ <u>8,519</u>	<u>6,238</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ <u>2,468</u>	<u>1,796</u>

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

	<u>For the three months ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>62,806</u>	<u>59,990</u>

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

A. Land and Buildings lease

The Group leases land and buildings for its facility and office space. The leases of office space typically run for a period of 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Land leases' additional rent payments that are based on changes in local price indices and the public facilities construction costs re invested annually in each park will be adjusted after being assessed.

B. Other leases

The Group leases vehicles and other equipment, with lease terms of two to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(17) Provisions

The movements of the Group's provisions — current and non-current were as follows:

	<u>Site restoration</u>	<u>Onerous contracts</u>	<u>Other</u>	<u>Total</u>
Balance of January 1, 2023	\$ <u>59,888</u>	<u>3,583,065</u>	<u>121,055</u>	<u>3,764,008</u>
Balance of March 31, 2023	\$ <u>58,782</u>	<u>3,498,882</u>	<u>95,688</u>	<u>3,653,352</u>
Balance of January 1, 2022	\$ <u>68,325</u>	<u>3,900,040</u>	<u>9,936</u>	<u>3,978,301</u>
Balance of March 31, 2022	\$ <u>68,649</u>	<u>3,820,076</u>	<u>10,096</u>	<u>3,898,821</u>

There were not significant changes in the consolidated company's provision for liabilities during the three months ended March 31, 2023 and 2022. For relevant information, please refer to Notes 6(18) of the consolidated financial statement for the fiscal year 2022.

(18) 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. The expenses reported by the consolidated company for the period from January to March 31, 2023 and 2022 were \$66,775 thousand and \$87,053 thousand, respectively.

B. Defined contribution plans

The retirement benefit expenses determined and allocated by the consolidated company for the period January 1 to March 31 2023 and 2022 under the defined benefit retirement plan were \$111,345 thousand and \$92,307 thousand, respectively.

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

(19) 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 March 31,	
	2023	2022
Current income tax expense (benefit)	\$ 1,893,706	(1,445,768)

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

	For the three months ended March 31,	
	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	\$ (36,720)	-
Subsequent items that may be reclassified to profit or loss:		
Exchange differences on the translation of financial statements foreign operations	\$ (288,739)	81,179

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.

(20) 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 March 31, 2023 and 2022. For further information, please refer to Note 6(21) of the consolidated financial statements for fiscal year 2022.

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

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Additional paid in capital	\$ 7,195,673	7,195,673	8,296,480
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	1,447,251	1,447,251	1,660,183
Capital surplus recognized under the equity method	7,562,406	7,561,496	7,562,724
Treasury stock transactions	33,314	33,314	33,314
Employee stock options	608,429	608,429	608,059
	<u>\$ 16,847,073</u>	<u>16,846,163</u>	<u>18,160,760</u>

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.

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

Distribution of earnings, by way of cash, shall be approved in the Board of Directors meeting. The distribution of earnings through issuance of new shares shall be resolved in the stockholders' meeting.

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and subsequently any remaining profit together with any undistributed retained earnings shall be distributed, in form of cash dividends, according to the distribution plan approved by the Board of Directors with two-thirds of directors present and approved by one-half of the present directors and further submitted to the shareholders' meeting, in accordance with the R.O.C. Company Act Section 240(5). The distribution plan to issue new shares should be proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

After considering both the long-term development of the business and the goal of stable growth of earnings per share, the distribution of dividends to shareholders should not be less than 50% of the distributable earnings, which is calculated using the net income of the current year, minus, legal reserve and special reserve. The distribution of cash dividends should not be less than 50% of the total dividends.

On 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	\$ 8.2	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.

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

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	(669,057)	-	-	(669,057)
Exchange differences of associates accounted for using equity method	504	-	-	504
Compensation cost of restricted stock awards of associates accounted for using equity method	-	-	(56)	(56)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	141,993	-	141,993
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates for using equity method	-	22,711	-	22,711
Balance at March 31, 2023	<u>\$ (5,284,800)</u>	<u>(1,190,285)</u>	<u>(2,817)</u>	<u>(6,477,902)</u>
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	214,988	-	-	214,988
Exchange differences of associates accounting for using equity method	7,304	-	-	7,304
Compensation cost of restricted stock awards of associates accounted for using equity method	-	-	1,417	1,417
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(81,198)	-	(81,198)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	(363,532)	-	(363,532)
Balance at March 31, 2022	<u>\$ (4,683,242)</u>	<u>(972,147)</u>	<u>(4,639)</u>	<u>(5,660,028)</u>

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

(21) Earnings per Share

A. Basic earnings per share

	For the three months ended March 31,	
	2023	2022
Net income attributable to the shareholders of the Company	\$ 2,469,459	1,265,072
Weighted average number of ordinary shares outstanding (in thousands of shares)	586,222	586,222
Basic earnings per share (NT dollar)	\$ 4.21	2.16

B. Diluted earnings per share

	For the three months ended March 31,	
	2023	2022
Net income attributable to the shareholders of the Company	\$ 2,469,459	1,265,072
Weighted average number of ordinary shares outstanding (in thousands of shares)	586,222	586,222
Effect of dilutive potential ordinary shares (in thousands of shares)	3,952	2,635
Weighted-average number of ordinary shares outstanding (in thousands of shares)(diluted)	590,174	588,857
Diluted earnings per share (NT dollar)	\$ 4.18	2.15

(22) Revenue from contracts with customers

A. Details of revenues

	For the three months ended March 31,					
	2023			2022		
	Semiconductor Segment	Solar energy Segment and other	Total	Semiconductor Segment	Solar energy Segment and other	Total
Primary geographical markets:						
Taiwan	\$ 3,559,848	683,526	4,243,374	2,905,410	1,236,659	4,142,069
Northeast Asia (Japan and Korea)	5,171,699	14,248	5,185,947	5,019,460	167	5,019,627
Asia-other	4,292,380	228,062	4,520,442	3,491,085	223,378	3,714,463
America	2,112,673	530,213	2,642,886	2,036,193	574,199	2,610,392
Europe	3,661,527	415,529	4,077,056	2,734,702	361,055	3,095,757
Other areas	131,313	102,531	233,844	105,087	82,024	187,111
	\$ 18,929,440	1,974,109	20,903,549	16,291,937	2,477,482	18,769,419

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

For the three months ended March 31,						
2023			2022			
	Semiconductor Segment	Solar energy Segment and other	Total	Semiconduct or Segment	Solar energy Segment and other	Total
Major product categories:						
Semiconductor wafers	\$ 18,612,189	11,532	18,623,721	16,153,173	10,285	16,163,458
Solar cell	-	730,730	730,730	-	866,092	866,092
Solar module	-	365,443	365,443	-	442,901	442,901
Solar ingot	-	375,496	375,496	-	597,202	597,202
Semiconductor ingot	283,670	603	284,273	95,726	548	96,274
Solar wafer	-	14,838	14,838	-	63,408	63,408
Others	<u>33,581</u>	<u>475,467</u>	<u>509,048</u>	<u>43,038</u>	<u>497,046</u>	<u>540,084</u>
	<u>\$ 18,929,440</u>	<u>1,974,109</u>	<u>20,903,549</u>	<u>16,291,937</u>	<u>2,477,482</u>	<u>18,769,419</u>

B. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable (including related parties)	<u>\$ 11,296,262</u>	<u>11,332,961</u>	<u>10,637,847</u>
Contract liabilities	<u>\$ 38,464,491</u>	<u>39,561,054</u>	<u>34,219,369</u>

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 three months ended March 31, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was \$2,008,099 thousand and \$1,221,996 thousand, respectively.

(23) 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.

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

For the three months ended March 31, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to \$156,590 thousand and \$81,710 thousand and directors remuneration amounting \$15,000 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share dividends, the calculation, based on the shares, shall be calculated using the share price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The 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.

(24) Interest income and financial costs

A. Interest income

	For the three months ended March 31,	
	2023	2022
Interest income from bank deposits	\$ 748,279	79,397
Interest income from financial assets measured at amortized cost	1,627	1,627
	\$ 749,906	81,024

B. Financial costs

	For the three months ended March 31,	
	2023	2022
Interest expense of borrowings	\$ 82,038	10,772
Interest expense of corporate bonds	96,072	106,334
Interest expense of lease liability	4,676	2,474
	\$ 182,786	119,580

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

(25) Other gains and losses

	For the three months ended March 31,	
	2023	2022
Dividend income	\$ 2,081	-
Foreign exchange gains	93,802	935,743
Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss	89,337	(6,568,744)
Gain (loss) on disposal of property, plant and equipment	(12,785)	48,521
Others	18,656	67,554
	\$ 191,091	(5,516,926)

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

	For the three months ended March 31,	
	2023	2022
Exchange differences on translation of foreign operations	\$ 504	7,304
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	150,743	(587,079)
	\$ 151,247	(579,775)

(27) 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 March 31, 2023, December 31 and March 31, 2022, 43%, 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.

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

(c) Credit risks of receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6(5). Other financial assets at amortized cost includes other receivables and investments in corporate bonds. For impairment loss on financial assets measured at amortized cost, please refer to note 6(4).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(7) regarding how the Group determines whether the financial instruments are considered to be low credit risk).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<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>
March 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 11,623,950	(11,664,146)	(11,109,945)	(554,201)	-	-	-
Notes and accounts payable (including related parties)	5,440,596	(5,440,596)	(5,413,094)	(27,502)	-	-	-
Long-term borrowings (including current portion)	5,496,365	(5,832,910)	(44,886)	(243,170)	(2,287,980)	(2,503,538)	(753,336)
Current and non-current lease liabilities	1,170,261	(1,231,486)	(101,637)	(94,566)	(163,080)	(294,452)	(577,751)
Ordinary corporate bonds	18,987,445	(19,361,800)	(108,200)	-	(7,208,200)	(12,045,400)	-
Convertible corporate bonds	21,858,982	(22,703,268)	-	-	-	(22,703,268)	-
Accrued remuneration of directors (recorded under other current liabilities)	146,028	(146,028)	(126,808)	(19,220)	-	-	-
Payroll and bonus payable	4,683,307	(4,683,307)	(3,390,129)	(1,293,178)	-	-	-
Derivative financial							
Swap exchange contracts:							
Outflows	2,556	(118,581)	(118,581)	-	-	-	-
Inflows	-	116,025	116,025	-	-	-	-
Forward exchange contracts:							
Outflows	-	(1,119,461)	(1,119,461)	-	-	-	-
Inflows	7,258	1,126,719	1,126,719	-	-	-	-
	<u>\$ 69,416,748</u>	<u>(71,058,839)</u>	<u>(20,289,997)</u>	<u>(2,231,837)</u>	<u>(9,659,260)</u>	<u>(37,546,658)</u>	<u>(1,331,087)</u>

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

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 corporate 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>\$ 67,246,942</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>

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

	<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>
March 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 8,460,149	(8,471,356)	(8,069,666)	(401,690)	-	-	-
Notes and accounts payable (including related parties)	4,498,135	(4,498,135)	(4,481,109)	(17,026)	-	-	-
Long-term borrowings (including current portion)	971,103	(1,069,367)	(23,552)	(22,780)	(45,560)	(136,679)	(840,796)
Current and non-current lease liabilities	804,334	(872,228)	(100,661)	(66,634)	(95,723)	(208,428)	(400,782)
Ordinary corporate bonds	18,982,105	(19,470,000)	(108,200)	-	(108,200)	(19,253,600)	-
Convertible corporate bonds	26,222,290	(27,565,891)	-	-	-	(27,565,891)	-
Accrued remuneration of directors (recorded under other current liabilities)	106,040	(106,040)	(106,040)	-	-	-	-
Payroll and bonus payable	3,648,577	(3,648,577)	(2,758,171)	(886,871)	(3,535)	-	-
Derivative financial liabilities							
Swap exchange contracts:							
Outflows	391	(63,390)	(63,390)	-	-	-	-
Inflows	-	62,999	62,999	-	-	-	-
Forward exchange contracts:							
Outflows	84,703	(1,893,884)	(1,893,884)	-	-	-	-
Inflows	-	1,809,191	1,809,191	-	-	-	-
	<u>\$ 63,777,827</u>	<u>(65,786,678)</u>	<u>(15,732,483)</u>	<u>(1,395,001)</u>	<u>(253,018)</u>	<u>(47,164,598)</u>	<u>(1,241,578)</u>

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

C. Currency risk

(a) Exposure to foreign currency risk

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

	March 31, 2023		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$	711,476	30.45
JPY		7,719,202	0.2288
EUR		197,826	33.15
CNY		36,688	4.431
			21,664,444
			1,766,153
			6,557,932
			162,565

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

March 31, 2023			
	Foreign currency	Exchange rate	NTD
<u>Non-monetary items</u>			
USD	23,950	30.45	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	170,789	30.45	5,200,525
JPY	14,099,188	0.2288	3,225,894
EUR	218,539	33.15	7,244,568
CNY	64,588	4.431	286,189
<u>Non-monetary items</u>			
USD	12,500	30.45	Note
EUR	3,500	33.15	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>Non-monetary items</u>			
USD	33,500	30.71	Note
<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

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

	March 31, 2022		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 1,218,784	28.625	34,887,692
JPY	6,001,596	0.2353	1,412,176
EUR	105,034	31.92	3,352,685
CNY	610,258	4.506	2,749,823
<u>Non-monetary items</u>			
USD	12,250	28.63	Note
JPY	198,557	0.2353	Note
EUR	492	31.92	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	462,625	28.625	13,242,641
JPY	16,163,028	0.2353	3,803,160
EUR	119,667	31.92	3,819,771
CNY	64,508	4.506	290,673
<u>Non-monetary items</u>			
USD	21,330	28.625	Note
JPY	5,050,000	0.2353	Note
EUR	2,000	31.92	Note

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

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long and short-term loans, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of March 31, 2023 and 2022, net income before income taxes would have decreased or increased by \$141,939 thousand and increased or decreased by \$212,461 thousand for the three months ended March 31, 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.

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

(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 ended March 31, 2023 and 2022, foreign exchange losses (including realized and unrealized portions) amounted to \$93,802 thousand and \$935,743 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 \$6,122 thousand and \$5,767 thousand, for the three months ended March 31, 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.

E. Other price risk

For the three months ended March 31, 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>	<u>For the three months ended March 31,</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Other comprehensive income before tax</u>	<u>Net income</u>	<u>Other comprehensive income before tax</u>	<u>Net income</u>
Increasing 5%	\$ 100,488	456,803	70,310	611,882
Decreasing 5%	(100,488)	(456,803)	(70,310)	(611,882)

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

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:

	Carrying amount	March 31, 2023			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit or loss-current					
Forward exchange contract	\$ <u>9,295</u>	<u>-</u>	<u>9,295</u>	<u>-</u>	<u>9,295</u>
Financial assets at fair value through profit or loss— non-current					
Private equity	\$ 207,848	-	-	207,848	207,848
Overseas securities	9,136,060	9,136,060	-	-	9,136,060
	\$ <u>9,343,908</u>	<u>9,136,060</u>	<u>-</u>	<u>207,848</u>	<u>9,343,908</u>
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 896,721	896,721	-	-	896,721
Overseas securities	491,162	491,162	-	-	491,162
Emerging stock	55,278	-	55,278	-	55,278
Non-public offer equity instrument measured at fair value	566,600	-	-	566,600	566,600
Subtotal	\$ <u>2,009,761</u>	<u>1,387,883</u>	<u>55,278</u>	<u>566,600</u>	<u>2,009,761</u>
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 76,666,964	-	-	-	-
Notes and accounts receivable (including related parties)	11,298,758	-	-	-	-
Other financial assets— current and non-current	16,314,913	-	-	-	-
Corporate bonds— current	330,018	-	330,018	-	330,018
Subtotal	\$ <u>104,610,653</u>	<u>-</u>	<u>330,018</u>	<u>-</u>	<u>330,018</u>
Financial liabilities measured at fair value through profit or loss:					
Forward exchange contract	\$ 2,037	-	2,037	-	2,037
Swap exchange contract	2,556	-	2,556	-	2,556
Convertible corporate bonds embedded in derivative instruments	282,756	-	282,756	-	282,756
	\$ <u>285,312</u>	<u>-</u>	<u>285,312</u>	<u>-</u>	<u>285,312</u>

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

	March 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost:					
Short-term borrowings	11,623,950	-	-	-	-
Notes and accounts receivable (including related parties)	5,440,596	-	-	-	-
Long-term borrowings (including current portion)	5,496,365	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	146,028	-	-	-	-
Convertible corporate bonds	21,858,982	-	-	-	-
Ordinary corporate bonds	18,987,445	-	-	-	-
Current and non-current lease liabilities	1,170,261	-	-	-	-
Subtotal	<u>\$ 64,723,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	December 31, 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>\$ 32,415</u>	<u>-</u>	<u>32,415</u>	<u>-</u>	<u>32,415</u>
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	<u>\$ 9,331,720</u>	<u>9,145,927</u>	<u>-</u>	<u>185,793</u>	<u>9,331,720</u>
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)	11,338,087	-	-	-	-
Other financial assets—current and non-current	8,693,679	-	-	-	-
Corporate bonds—current	331,609	-	331,609	-	331,609
Subtotal	<u>\$ 103,611,229</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
Convertible corporate bonds embedded in derivative instruments	466,831	-	466,831	-	466,831
Subtotal	<u>\$ 468,050</u>	<u>-</u>	<u>468,050</u>	<u>-</u>	<u>468,050</u>

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

	December 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
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)	903,941	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	127,888	-	-	-	-
Convertible corporate bonds	23,793,835	-	-	-	-
Ordinary corporate bonds	18,986,110	-	-	-	-
Current and non-current lease liabilities	825,028	-	-	-	-
Subtotal	\$ 59,563,290	-	-	-	-
	March 31, 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	\$ 2,425	-	2,425	-	2,425
Financial assets at fair value through profit or loss—non-current					
Private equity	\$ 224,156	-	-	224,156	224,156
Overseas securities	12,237,643	12,237,643	-	-	12,237,643
Subtotal	\$ 12,461,799	12,237,643	-	224,156	12,461,799
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 242,499	242,499	-	-	242,499
Overseas securities	607,136	607,136	-	-	607,136
Non-public offer equity instrument measured at fair value	556,568	-	-	556,568	556,568
Subtotal	\$ 1,406,203	849,635	-	556,568	1,406,203
Financial assets measured at amortized cost					
Cash and cash equivalents	71,311,882	-	-	-	-
Notes and accounts receivable (including related parties)	10,723,571	-	-	-	-
Other financial assets—current and non-current	4,627,207	-	-	-	-
Corporate bonds—current	333,237	-	333,237	-	333,237
Subtotal	\$ 86,995,897	-	333,237	-	333,237

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

	March 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at fair value through profit or loss:					
Forward exchange contract	\$ 87,128	-	87,128	-	87,128
Swap exchange contract	391	-	391	-	391
Convertible corporate bonds embedded in derivative instruments	555,449	-	555,449	-	555,449
	\$ 642,968	-	642,968	-	642,968
Financial liabilities measured at amortized cost:					
Short-term borrowings	8,460,149	-	-	-	-
Notes and accounts receivable (including related parties)	4,498,135	-	-	-	-
Long-term borrowings (including current portion)	971,103	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	106,040	-	-	-	-
Convertible corporate bonds	3,648,577	-	-	-	-
Ordinary corporate bonds	26,222,290	-	-	-	-
Current and non-current lease liabilities	18,982,105	-	-	-	-
Other accrued expenses (recorded under other current liabilities)	804,334	-	-	-	-
Subtotal	\$ 63,692,733	-	-	-	-

(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.

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

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

If the financial instruments held by the Group belong to an active market, the fair value is booked as follows by category and attribute:

For financial assets and financial liabilities of the listed company's stocks, notes of exchange and corporate bonds, which are subject to standard terms and conditions and are traded in the active market, the fair value is determined by reference to market quotations.

In addition to the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of evaluation technologies or reference to counterparty quotes. The fair value obtained through the evaluation technology can be based on the current fair value of other financial instruments with similar characteristics and characteristics, the discounted cash flow method or other evaluation technology, including the calculation with the model and the market information available on the consolidated balance sheet date (such as the reference yield curve of Taiwan Stock Exchange, Reuters commercial promissory interest rate average offer).

If the financial instruments held by the Group are in the non-active market, the fair value is booked as follows by category and attribute:

Equity instruments without public quotation: Estimates of fair value using the market comparable company method, the main assumptions are based on the earnings multiplier derived from the investee's net worth per share and the EV/EBIT comparable listed companies' quotes. The estimate has adjusted the depreciation impact of the lack of market liquidity of the equity securities

ii. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants, such as the discounted cash flow or option pricing models. The fair value of forward currency is usually determined based on the forward currency exchange rate.

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

(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	-	80
Recognized in profit or loss	24,630	-
Recognized in other comprehensive income	-	15,837
Reclassification	-	(21,000)
Refund	(2,575)	(9,622)
Effect of changes in exchange rate	-	(2,949)
Balance at March 31, 2023	<u>\$ 207,848</u>	<u>566,600</u>
Balance at January 1, 2022	\$ 195,163	401,748
Addition	-	188,970
Recognized in profit or loss	28,993	-
Recognized in other comprehensive income	-	(34,619)
Refund	-	(6,158)
Effect of changes in exchange rate	-	6,627
Balance at March 31, 2022	<u>\$ 224,156</u>	<u>556,568</u>

(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.

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

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 March 31, 2023, December 31, 2022 and March 31, 2022 0.23%~2.43%、2.07%~5.85% and 1.7%~2.73%, respectively) · Market liquidity discount rate (March 31, 2023, December 31, 2022 and March 31, 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

(d) The fair value of the Group's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Group did not disclose quantified information and sensitivity analysis on significant unobservable inputs because the unobservable inputs used in fair value measurement were not established by the Group.

(e) As of March 31, 2023 and 2022, there has been no transfer at fair value level.

(28) 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.

(29) 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.

(30) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2023 and 2022 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(10).

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

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Foreign exchange movement and others	March 31, 2023
Short-term borrowings	\$ 9,796,000	1,827,950	-	11,623,950
Long-term borrowings	903,641	4,617,395	(24,671)	5,496,365
Lease liabilities	825,028	(50,312)	395,545	1,170,261
Bonds payable	42,779,945	(2,029,803)	96,285	40,846,427
Guarantee deposit received	1,558,715	57,249	-	1,615,964
Total liabilities from financing activities	<u>\$ 55,863,329</u>	<u>4,422,479</u>	<u>467,159</u>	<u>60,752,967</u>

	January 1, 2022	Cash flows	Foreign exchange movement and others	March 31, 2022
Short-term borrowings	\$ 7,759,302	700,847	-	8,460,149
Long-term borrowings	1,030,876	(92,225)	32,452	971,103
Lease liabilities	852,666	(51,181)	2,849	804,334
Bonds payable	45,124,740	-	79,655	45,204,395
Guarantee deposit received	1,397	10,015	-	11,412
Total liabilities from financing activities	<u>\$ 54,768,981</u>	<u>567,456</u>	<u>114,956</u>	<u>55,451,393</u>

7. Related-party transactions:

- (1) Names and relationships of related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Names of related parties	Relationship with the Group
Actron	SAS's management is the director of the company/ An associate of the Group
ASC	An associate of the Group
Crystalwise	An associate of the Group

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

(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:

	For the three months ended March 31,	
	2023	2022
Associates	\$ 79,352	68,748

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

As of March 31, 2023 and 2022, the credit terms for third parties were 0 to 120 days after month-end, while those for related parties were 30 to 90 days after month-end and receipt in advance to 30 days after month-end, respectively.

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 March 31,	
	2023	2022
Associates	\$ 61	1,528

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

As of March 31, 2023 and 2022, the payment terms to third parties were 0 to 150 days after month-end and 0 to 120 days after month-end, respectively. In contrast, those to related parties were prepayment to 30 days after month-end.

C. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	March 31, 2023	December 31, 2022	March 31, 2022
Receivables from related parties	Associate	\$ 62,862	77,916	52,068

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

D. Payables to related parties

The payables to related parties were as follows:

<u>Items</u>	<u>Categories</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Payable to related parties	Associate	\$ <u>37</u>	<u>73</u>	<u>-</u>

E. Corporate bonds

As of March 31, 2023 and 2022, the interest income amounted to \$1,627 thousand and \$0 thousand, respectively. As of March 31, 2023, December 31 and March 31, 2022, the accumulated investment cost and interest receivable amounted to \$330,018 thousand, \$331,609 thousand and \$333,237 thousand, respectively and were recorded in financial assets measured at amortized cost-current.

F. Lease

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

	<u>For the three months ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ <u>7,665</u>	<u>7,159</u>

The Group leased its plant to associates. As of March 31, 2023, December 31 and March 31, 2022, the Group had lease receivables of \$1,108 thousand, \$3,133 thousand and \$2,216 thousand, respectively.

G. 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 March 31, 2023, December 31 and March 31, 2022 were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Associates	\$ 1,388	1,994	278
Associates	(64)	(1,122)	(13)
	<u>\$ 1,324</u>	<u>872</u>	<u>265</u>

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

(b) The associate company Actron passed the resolution of the board of directors on March 9, 2022 to distribute dividends. As of March 31, 2022, the dividend receivable was \$83,230 thousand, and the account was listed as receivables from related parties.

(c) As of March 31, 2023, December 31 and March 31, 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 March 31,	
	2023	2022
Short-term employee benefits	\$ 169,271	68,879
Post-employment benefits	483	252
	\$ 169,754	69,131

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	Long-term and short-term borrowings and credit lines	\$ 3,513,678	3,501,797	3,370,998
Time deposits (recognized in other financial assets – current)	Performance bond	10,695	10,629	-
Time deposits (recognized in other financial assets – non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,840	51,836	51,889
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	17,000
Time deposits (recognized in other financial assets – non-current)	Guarantee for bank financing projects	106,924	107,836	143,125

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

<u>Asset name</u>	<u>Pledge or Mortgage underlying subject</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Time deposits/deposit guarantee (recognized in other financial assets – non-current)	Court litigation	19,638	19,638	2,222
Time deposits (recognized in other financial assets – non-current)	Court litigation	-	-	19,400
Time deposits (recognized in other financial assets – non-current)	Guarantee for bank financing projects	15,526	4,952	-
Time deposits (recognized in other financial assets – non-current)	Guarantees of acceptances bill	8,000	8,000	-
		<u>\$ 3,742,301</u>	<u>3,720,688</u>	<u>3,606,634</u>

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 March 31, 2023, December 31 and March 31, 2022, amounted to \$36,259,004 thousand, \$33,461,162 thousand and \$35,460,512 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)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
USD	<u>\$ 24,835</u>	<u>21,865</u>	<u>20,235</u>
EUR	<u>\$ 13,649</u>	<u>13,066</u>	<u>14,567</u>

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

- C. As of March 31, 2023, December 31 and March 31, 2022, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$20,905,543 thousand, \$27,954,076 and \$16,227,598 thousand, respectively.
- D. As of March 31, 2023, December 31 and March 31, 2022, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were \$54,346,085 thousand, \$52,334,293 and \$50,760,173 thousand, respectively.
- E. As of March 31, 2023, December 31 and March 31, 2022, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to \$140,599 thousand \$140,599 and \$60,500 thousand, respectively.
- F. As of March 31, 2023, December 31 and March 31, 2022, the Group's outstanding standby letters of credit that were issued amounted to \$118,599 thousand \$157,689 and \$96,189 thousand, respectively.
- G. The Group had a long-term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of March 31, 2023, December 31 and March 31, 2022, a guarantee letter for the customer which the Group requested a bank to issue amounted to \$4,653,249 thousand, \$4,685,036 and \$590,257 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 March 31, 2023, December 31 and March 31, 2022, the balance of the account was \$2,736,574 thousand, \$2,967,304 and \$3,404,212 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.

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

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 \$111,800 thousand. As of March 31, 2022, the above-mentioned guarantee deposit were recorded as other liabilities – non-current.

10. Losses due to major disasters: None.

11. Subsequent Events:

- (1) GlobalWafers signed an equipment procurement contract with a specific vendor in April 2023 in order to expand its production capacity and meet market demand. The total contract price was EUR 41,903 thousand (approximately 1.4 billion New Taiwan Dollars).
- (2) On April 23, 2023 the Group acquired the entire equity of Shanghai Sawyer Shenkai Technology Materials Co., Ltd. and submitted it for registration to the State Administration of Foreign Exchange. As of May 5, 2023, the approval is still pending. Once approved, relevant payments will be made.
- (3) On May 2, 2023, GlobalWafers' Board of Directors made a resolution. GlobalWafers and Crystalwise have decided to engage in complementary resource sharing and collaborative cooperation, expanding their product lines to enhance operational advantages. It is proposed to issue new shares to Crystalwise's shareholders as consideration and conduct share conversion with Crystalwise, allowing GlobalWafers to acquire 100% equity of Crystalwise.

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 March 31,			
	2023			2022		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	2,426,270	861,309	3,287,579	2,097,817	595,567	2,693,384
Labor and health insurance	284,175	69,619	353,794	248,748	60,202	308,950
Pension	150,215	27,905	178,120	152,093	27,267	179,360
Others employee benefits expenses	75,593	22,954	98,547	65,202	18,958	84,160
Depreciation	1,877,620	80,915	1,958,535	1,525,940	59,318	1,585,258
Amortization	85,832	5,575	91,407	59,402	1,200	60,602

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

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 March 31, 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.

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

14. Segment information:

(1) Operating segments

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

	For the three months ended March 31, 2023			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 18,929,440	1,974,109	-	20,903,549
Intersegment revenues	<u>11,896</u>	<u>348,518</u>	<u>(360,414)</u>	<u>-</u>
Total revenue	<u>\$ 18,941,336</u>	<u>2,322,627</u>	<u>(360,414)</u>	<u>20,903,549</u>
Reportable segment profit or loss	<u>\$ 4,702,920</u>	<u>(40,121)</u>	<u>-</u>	4,662,799
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>51,682</u>
				<u>\$ 4,714,481</u>

	For the three months ended March 31, 2022			
	Semiconductor segment	Solar energy segment and others	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	\$ 16,291,937	2,477,482	-	18,769,419
Intersegment revenues	<u>5,011</u>	<u>270,032</u>	<u>(275,043)</u>	<u>-</u>
Total revenue	<u>\$ 16,296,948</u>	<u>2,747,514</u>	<u>(275,043)</u>	<u>18,769,419</u>
Reportable segment profit or loss	<u>\$ 1,719,864</u>	<u>375,830</u>	<u>-</u>	2,095,694
Share of profit (loss) of associates and joint ventures accounted for using equity method				<u>53,053</u>
				<u>\$ 2,148,747</u>

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

	<u>Semiconductor segment</u>	<u>Solar energy segment and others</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Reportable segment assets:				
March 31, 2023	\$ <u>185,189,969</u>	<u>15,038,571</u>	<u>(297,137)</u>	199,931,403
Equity method investments				<u>2,711,531</u>
				<u>\$ 202,642,934</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>
March 31, 2022	\$ <u>147,111,182</u>	<u>15,252,211</u>	<u>(1,635,998)</u>	160,727,395
Equity method investments				<u>6,476,167</u>
				<u>\$ 167,203,562</u>
Reportable segment liabilities:				
March 31, 2023	\$ <u>118,182,904</u>	<u>12,976,362</u>	<u>(297,137)</u>	<u>130,862,129</u>
December 31, 2022	\$ <u>115,551,790</u>	<u>13,394,727</u>	<u>(468,671)</u>	<u>128,477,846</u>
March 31, 2022	\$ <u>102,411,314</u>	<u>12,528,336</u>	<u>(1,635,998)</u>	<u>113,303,652</u>

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended March 31, 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	1,676,400	1,674,750	63,945	5%	2	-	Operating capital	-	-	-	13,535,614	13,535,614
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	32,500	2.5%	2	-	Operating capital	-	-	-	13,535,614	13,535,614
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	906,023	1.5%~5%	2	-	Operating capital	-	-	-	13,535,614	13,535,614
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	165,750	165,750	116,025	3%	2	-	Operating capital	-	-	-	13,535,614	13,535,614
1	SSTI	Sulu	Receivable from related parties	Yes	420,014	419,601	419,601	0%	2	-	Operating capital	-	-	-	2,250,208	2,250,208
1	SSTI	AMLED	Receivable from related parties	Yes	347,899	347,556	347,556	0%	2	-	Operating capital	-	-	-	2,250,208	2,250,208
2	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	324,612	324,293	324,293	0%	2	-	Operating capital	-	-	-	479,300	479,300
3	GlobalWafers	Sunrise PV Electric Five	Receivable from related parties	Yes	100,000	100,000	20,000	1.5%	2	-	Operating capital	-	-	-	23,267,472	23,267,472
3	GlobalWafers	Sunrise PV Five	Receivable from related parties	Yes	400,000	400,000	100,000	1~1.5%	2	-	Operating capital	-	-	-	23,267,472	23,267,472
4	GWJ	MEMC Japan	Receivable from related parties	Yes	12,560,960	12,446,720	3,798,080	0.56273%	2	-	Operating capital	-	-	-	17,770,604	17,770,604
5	MEMC SpA	GWBV	Receivable from related parties	Yes	1,791,350	-	-	-	2	-	Operating capital	-	-	-	10,686,113	10,686,113
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,585,700	2,585,700	2,020,484	7.475%	2	-	Operating capital	-	-	-	10,686,113	10,686,113

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	GWBV	Receivable from related parties	Yes	1,031,626	1,030,611	1,030,611	1.2%	2	-	Operating capital	-	-	-	30,273,085	30,273,085
6	GWS	GW GmbH	Receivable from related parties	Yes	4,143,750	4,143,750	4,143,750	2.7%	2	-	Operating capital	-	-	-	30,273,085	30,273,085
7	GTI	MEMC LLC	Receivable from related parties	Yes	5,486,400	5,481,000	207,060	5.41%	2	-	Operating capital	-	-	-	12,097,140	12,097,140
7	GTI	GlobalWafers	Receivable from related parties	Yes	1,501,750	-	-	-	2	-	Operating capital	-	-	-	12,097,140	12,097,140
8	GWBV	GW GmbH	Receivable from related parties	Yes	3,745,550	1,989,000	1,657,500	2.70%	2	-	Operating capital	-	-	-	47,380,225	47,380,225

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 March 31, 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)	1,402,080 (Note 5)	1,400,700 (Note 5)	860,365 (Note 5)	-	4.14 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	33,839,036	170	170	170	-	-	33,839,036	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	33,839,036	421	421	421	-	-	33,839,036	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	33,839,036	1,300,000	1,300,000	-	-	3.84 %	33,839,036	Y	N	N
0	Sino American Silicon Products Inc.	SES	2	33,839,036	94,620	94,620	94,620	-	0.28 %	33,839,036	Y	N	N
1	GlobalWafers	GW GmbH	2	174,506,040	8,287,500	8,287,500	7,723,950	-	14.25 %	174,506,040	N	N	N
1	GlobalWafers	GWH	2	174,506,040	1,300,000	1,300,000	-	-	2.23 %	174,506,040	N	N	N
1	GlobalWafers	Sunrise PV Four	2	174,506,040	100,000	100,000	-	-	0.17 %	174,506,040	N	N	N
1	GlobalWafers	Sunrise PV Electric Five	2	174,506,040	79,800	79,800	79,800	-	0.14 %	174,506,040	N	N	N
1	GlobalWafers	GWS	2	174,506,040	5,196,195	5,196,195	5,104,845	-	8.93 %	174,506,040	N	N	N
1	GlobalWafers	MEMC SpA	2	174,506,040	2,917,200	2,917,200	2,917,200	-	5.02 %	174,506,040	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	60,485,700	457,200	456,750	106,550	-	3.78 %	60,485,700	N	N	N
3	SST	KST	2	14,147,595	1,415,380	1,410,922	1,410,922	-	49.86 %	14,147,595	N	N	Y

Note 1: The characters of guarantees and endorsements are coded as follows:

- (1) The issuer is coded "0".
- (2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

- (1) Ordinary business relationship.
- (2) Subsidiary which owned more than 50 percent by the guarantor.
- (3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
- (4) An investee owned more than 90 percent by the guarantor or its subsidiary.
- (5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
- (6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
- (7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements/guarantees provided by the endorsement guarantor company for a single enterprise is limited to 10% of the net worth of the company providing the endorsements/guarantees, but for the subsidiary company, limited to one time of the net worth of the company providing the endorsements/guarantees. The total amount of accumulated endorsements/guarantees shall not exceed the net worth of the Company. The total amount of the Company's endorsements/guarantees and that for a single enterprise shall not exceed five times the net worth of the company providing endorsements/guarantees. The aforesaid net worth is based on the financial statements recently audited or reviewed by an accountant. For endorsements/guarantees due to business transactions, except subject to the provisions of the preceding item, the endorsement guarantee amount should be equal to the higher of the purchase or sales amount.

Note 4: The Company controls the financial and operating strategies of Sulu through effective agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu's individual quota is USD 36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousand. The actual disbursement amount was reduced to USD 28,255 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 March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures)
March 31, 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.	Corporate bonds of Crystalwise Technology	Affiliated companies	Financial assets measured at amortized cost — current	330	330,018	-	330,018	
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	690,000	13.06 %	690,000	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	354,340	15.00 %	354,340	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss — non-current	10	-	7.20 %	-	
SSH	WT Microelectronics Co., Ltd. Corporation	None	Financial assets at fair value through other comprehensive income	540	36,504	0.06 %	36,504	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,021	90,180	5.54 %	90,180	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	4,000	485,982	7.03 %	485,982	
SSH	SKY TECH Inc.	None	Financial assets at fair value through other comprehensive income	300	55,278	0.49 %	55,278	
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	

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	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss – non-current	-	199,604	3.85 %	199,604	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	650	1,447,992	2.17 %	1,447,992	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	3,101	6,907,269	10.34 %	6,907,269	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	350	780,799	1.17 %	780,799	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,518	170,217	0.25 %	170,217	
SST	Foreign securities	None	Financial assets at fair value through other comprehensive income	16	5,180	0.04 %	5,180	
GWH	Foreign securities from private placement	None	Financial assets at fair value through profit or loss – non-current	-	8,244	1.70 %	8,244	

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 March 31, 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	690,000	-	-	-	-	15,000	690,000

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 March 31, 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 96.8%	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 March 31, 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	(300,163)	(62) %	Net 60 days from the end of the month upon issuance of invoice	-	-	30,799	19%	Note 1
Sino American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(173,970)	(10) %	Net 30 days from the end of the month upon issuance of invoice	-	-	3,309	-%	Note 1
GlobalWafers	Sino American Silicon Products Inc.	Directly held subsidiaries	Purchase	343,598	9 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(178,423)	(4)%	Note 1 and 2
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	415,583	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(330,026)	(3)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	404,409	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(329,140)	(3)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	2,105,479	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(2,327,825)	(23)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	124,736	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(81,900)	(1)%	Note 1
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	364,700	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(145,496)	(1)%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	1,941,745	10 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,337,988)	(13)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	460,035	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(465,145)	(5)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	220,946	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(148,989)	(1)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	783,582	4 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(315,340)	(3)%	Note 1
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	231,323	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(74,197)	(1)%	Note 1
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	708,614	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(817,762)	(8)%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	182,150	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(171,917)	(2)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	628,716	3	Net 60 days from the end of the month upon issuance of invoice	-	-	(184,269)	(2)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(221,819)	(1)	Net 60 days from the end of the month upon issuance of invoice	-	-	282,151	3	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	429,961	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(283,510)	(3)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(153,856)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	104,256	1%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	1,064,780	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(723,169)	(7)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(2,042,967)	(11) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,376,873	13%	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	548,903	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(402,567)	(4)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	1,164,107	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(768,064)	(7)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	(439,994)	(2) %	Net 60 days from the end of the month upon issuance of invoice	-	-	303,348	3%	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 \$257,171 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

March 31, 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	913,959	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Aleo Solar	Directly held subsidiaries	116,598	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	419,601	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	347,556	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	324,293	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	315,340	2.43	-	-	-	-
GlobalWafers	GWJ	Indirectly held subsidiaries	817,762	0.80	-	-	-	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,337,988	5.68	-	-	-	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	465,145	4.64	-	-	-	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	148,989	5.45	-	-	-	-
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	171,917	1.25	-	-	-	-
Sino American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	178,423	3.45	-	-	12,292	-
GTI	GlobalWafers	Indirectly held subsidiaries	330,026	4.89	-	-	179,012	-
SST	GlobalWafers	Indirectly held subsidiaries	329,140	5.45	-	-	83,876	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,327,825	3.82	-	-	691,004	-
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	145,496	11.63	-	-	140,721	-
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	104,256	6.26	-	-	51,257	-
GWS	MEMC Japan	Indirectly held subsidiaries	303,348	5.73	-	-	154,581	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,376,873	6.44	-	-	655,123	-
GWS	MEMC LLC	Indirectly held subsidiaries	282,151	4.24	-	-	-	-

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 Sdn Bhd	GWS	Indirectly held subsidiaries	283,510	6.19	-	-	143,783	-
MEMC SpA	GWS	Indirectly held subsidiaries	723,169	5.73	-	-	332,902	-
MEMC Korea	GWS	Indirectly held subsidiaries	402,567	6.58	-	-	160,360	-
MEMC Japan	GWS	Indirectly held subsidiaries	768,064	6.03	-	-	245,818	-
MEMC LLC	GWS	Indirectly held subsidiaries	184,269	8.58	-	-	37,706	-
GlobalWafers	Sunrise PV Four	Indirectly held subsidiaries	100,431	Note 1	-	-	-	-
GWJ	MEMC Japan	Indirectly held subsidiaries	3,798,100	Note 1	-	-	-	-
MEMC SpA	GWS	Indirectly held subsidiaries	2,044,392	Note 1	-	-	-	-
GWS	GWBV	Indirectly held subsidiaries	1,035,524	Note 1	-	-	-	-
GWS	GW GmbH	Indirectly held subsidiaries	4,167,391	Note 1	-	-	-	-
GWBV	GW GmbH	Indirectly held subsidiaries	1,666,895	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 April 20, 2023.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended March 31, 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.	1	Purchase	343,598	Net 30 days from the end of the next month upon issuance of invoice	1.64%
0	GlobalWafers	GTI	1	Purchase	415,583	Net 60 days from the end of the month upon issuance of invoice	1.99%
0	GlobalWafers	SST	1	Purchase	404,409	Net 60 days from the end of the month upon issuance of invoice	1.93%
0	GlobalWafers	GWJ	1	Purchase	2,105,479	Net 60 to 90 days from the end of the month upon issuance of invoice	10.07%
0	GlobalWafers	GWJ	1	Account payable	2,327,825	Net 60 to 90 days from the end of the month upon issuance of invoice	1.15%
0	GlobalWafers	Topsil A/S	1	Purchase	364,700	Net 30 to 60 days from the end of the month upon issuance of invoice	1.74%
0	GlobalWafers	GTI	1	Sale	783,582	Net 45 days from the end of the month upon issuance invoice	3.75%
0	GlobalWafers	SST	1	Sale	231,323	Net 30 days from the end of the month upon issuance of invoice	1.11%
0	GlobalWafers	GWJ	1	Sale	708,614	Net 60 to 90 days from the end of the month upon issuance of invoice	3.39%
0	GlobalWafers	MEMC Korea	1	Sale	460,035	Net 30 to 60 days from the end of the month upon issuance of invoice	2.20%
0	GlobalWafers	GWS	1	Sale	1,941,745	Net 60 days from the end of the month upon issuance of invoice	9.29%
0	GlobalWafers	MEMC SpA	1	Sale	220,946	Net 60 days from the end of the month upon issuance of invoice	1.06%
1	GWS	MEMC LLC	3	Sale	221,819	Net 60 days from the end of the month upon issuance of invoice	1.06%
1	GWS	MEMC LLC	3	Purchase	628,716	Net 60 days from the end of the month upon issuance of invoice	3.01%
1	GWS	MEMC SpA	3	Purchase	1,064,780	Net 60 days from the end of the month upon issuance of invoice	5.09%
1	GWS	MEMC SpA	3	Sale	2,042,967	Net 60 days from the end of the month upon issuance of invoice	9.77%
1	GWS	MEMC Korea	3	Purchase	548,903	Net 60 days from the end of the month upon issuance of invoice	2.63%
1	GWS	MEMC Japan	3	Sale	439,994	Net 60 days from the end of the month upon issuance of invoice	2.10%
1	GWS	MEMC Japan	3	Purchase	1,164,107	Net 60 days from the end of the month upon issuance of invoice	5.57%
1	GWS	MEMC Sdn Bhd	3	Purchase	429,961	Net 60 days from the end of the month upon issuance of invoice	2.06%

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)
2	GWJ	MEMC Japan	3	Intercompany loan	3,798,100	-	1.87%
3	MEMC SpA	GWS	3	Intercompany loan	2,044,392	-	1.01%
4	GWS	GW GmbH	3	Intercompany loan	4,167,391	-	2.06%

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 March 31, 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 March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 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 %	1,125,104	538	538	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 %	29,764,244	5,000,228	2,558,616	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 %	401,130	14,136	14,136	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	239,650	(123)	(123)	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,652	139	139	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	650,000	650,000	65,000	100.00 %	20,796	(1,651)	(1,651)	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	20,000	2,000	100.00 %	19,108	(752)	(752)	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 %	-	(19,311)	-	Associate Note 2
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	56,029	(1,889)	1,158	Associate
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	962,957	962,957	41,590	30.09 %	820,386	12,038	237	Subsidiary Note 2

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 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	1,756,162	1,756,162	20,807	22.75 %	1,561,863	113,967	26,300	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 %	3,655,347	(195,610)	(75,232)	Subsidiary Note 2
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	63,145	(239)	-	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 %	71,038	(239)	-	Subsidiary Note 4
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	33,277	1,325	-	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 %	2,856,253	89,597	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,755,524	423,240	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	2,207,377	17,378,877	41,674	100.00 %	28,737,452	955,079	-	Subsidiary Note 4
GlobalWafers	GW GmbH	Germany	Trading	1,952,235 (EUR62,525)	1,952,235 (EUR62,525)	48,025	100.00 %	(6,815,293)	(185,911)	-	Associate Note 4
GlobalWafers	GWBV	Netherlands	Investment activities	40,367,464 (USD1,321,076)	42,525,442 (USD1,321,076)	0.1	100.00 %	47,380,225	1,491,020	-	Subsidiary Note 4 and 11
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,093,639	78,204	-	Associate Note 4
GlobalWafers	Sunrise PVFour	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,055,895	1,621	-	Subsidiary Note 4
GlobalWafers	Sunrise PVElectric Five	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	273,979	(874)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	247,877	650	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 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 %	2,528,749	177,486	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	0.1	100.00 %	-	-	-	Subsidiary Note 4
GWafers Singapore	GWS	Singapore	Investment 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 %	10,686,113	146,069	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	2,904	151	-	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 %	21,900,430	988,905	-	Subsidiary Note 4
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	13,350,520	279,247	-	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 %	3,718	(33)	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers and sale	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,402,825	66,337	-	Subsidiary Note 4
GTI	MEMC LLC	United states	Manufacturing and trading of silicon wafers and sale	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	4,650,195	96,549	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,189,183	17,135	-	Subsidiary Note 4
GTI	GWA	United states	Manufacturing and trading of silicon wafers and sale	31 (USD1)	31 (USD1)	1	100.00 %	1,086,904	(1,324)	-	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: GWafer Singapore merged with its subsidiary GWS on January 1, 2023, with GWS as the dissolved company and GWafer Singapore as the surviving company, and changed its name to GlobalWafers Singapore (GWS).

Sino-American Silicon Products Inc. and Subsidiaries
Information on investment in mainland China
For the period ended March 31, 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 March 31, 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)	89,527	100%	89,527	2,829,519	-
KST	Sale and marketings	26,587	Note6	-	-	-	-	8,069	100%	8,069	45,111	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD21,729)	1,703,173 (USD56,164) (Note 3)	34,901,208 (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 March 31, 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.