



Sino-American Silicon Products Inc.

2024
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 20, 2024 (Thursday)

Place: 2F, No. 1, Industrial East Rd. 2, Hsinchu Science Park,
Hsinchu, Taiwan, R.O.C

Science Park Life Hub/Darwin Hall

Translation –In case of any discrepancy between the Chinese and English versions,
the Chinese version shall prevail.

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Sino-American Silicon Products Inc.
2024 Annual General Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Extemporary Motion
7. Meeting Adjourned

Sino-American Silicon Products Inc.

2024 Annual General Shareholders' Meeting Agenda

Convening Method: Physical Meeting

Time: 9:00 a.m., Thursday, June 20, 2024

Place: 2F, No. 1. Industrial East Road 2, Hsinchu Science Park, Hsinchu
(Science Park Life Hub/Darwin Hall)

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
 - (1) 2023 business report
 - (2) Audit Committee's report on 2023 annual final accounting books and statements
 - (3) Report on 2023 remuneration distribution of employees & directors
 - (4) 2023 earning distribution
 - (5) Report on rejection on private placement of common shares after the expiration date
4. Approval Items
 - (1) 2023 business report, financial statements and earning distribution
5. Discussion Items
 - (1) Amendment to the "Policies and Procedures for Financial Derivatives Transactions"
 - (2) Issuance of new shares through public offering or private placement in response to the Company's capital needs
6. Extemporaneous Motion
7. Meeting Adjourned

Report Items

Item 1

Motion Fiscal 2023 Business Report, submitted for review

Description Please refer to the Fiscal 2023 Business Report as attachment 1 on page 10 of this handbook.

Item 2

Motion Audit Committee's report on 2023 annual final accounting books and statements, submitted for review

Description Please refer to the Audit Committee's 2023 Review Report as attachment 2 on page 15 of this handbook.

Item 3

Motion Distribution of remuneration to directors and employees in fiscal 2023, submitted for review

Description

- (1) The company 2023 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 10,471,088,048. Pursuant to Article 27 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
- (2) The Company is proposed to distribute NTD 550,000,000 to employees (distribution ratio 5.25%) and NTD 55,000,000 to directors (distribution ratio 0.53%). Distribution to both employees and directors is made in cash.
- (3) Employees entitled to receive remuneration is pursuant to Article 27 of Articles of Incorporation. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.

Item 4

Motion Report on 2023 earning distribution, submitted for review

Description In compliance with the Articles of Incorporation, the Board of Directors is authorized to approve cash dividends at the close of each half fiscal year. The respective amounts and payment dates of 2023 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2023	Approval Date month/date/year	Payment Date month/date/year	Cash Dividend per Share	Total Amount (NT\$)
First Half	12/15/2023	3/1/2024	3.5	2,051,775,779
Second Half	5/10/2024	8/23/2024	5.3	3,106,974,750
Total			8.8	5,158,750,529

Item 5

Motion Rejection on the private placement of common shares after the expiration date, submitted for review.

Description According to the resolution of AGM on June 21, 2023, and Article 43-6 of Securities Exchange Act, new shares within the issuance of 85,000,000 shares will be expired on June 20, 2024. Rejection will be conducted from the expiration date due to overall financial considerations.

Approval Items

Item 1 (Proposed by the Board of Directors)

Motion 2023 business report, financial statements and earning distribution, submitted for approve

Description (1) 2023 Financial Statements (including consolidated and standalone financial statements) were audited by KPMG CPAs, Cheng, An-Chih and Tseng, Mei-Yu. The aforementioned, FY 2023 Business Report and Earning Distribution Table have been approved by the audit committee.

(2) Please refer to the Business Report, Financial Statements and Profit Distribution Table as attachment 1 on page 10, attachment 3 on page 16 and attachment 4 on page 34 of this handbook.

(3) Approval requested.

Resolution

Discussion Items

Item 1 (Proposed by the Board of Directors)

Motion Amendment to the “Policies and Procedures for Financial Derivatives Transactions”

Description (1) To align with the future operational needs of the company, a proposal is underway to modify select clauses in our “Policies and Procedures for Financial

Derivatives Transactions”. Please refer to the comparison chart as attachment 5 on page 35 in this handbook.

(2) Resolution requested.

Resolution

Item 2

(Proposed by the Board of Directors)

Motion Issuance of new shares through public offering or private placement in response to the Company’s capital needs, submitted for resolve

Description (1) To meet the development of alliance with major companies and to increase working capital, or overseas purchase, prepayment of bank loan, purchase of equipment and machinery for future needs, and long-term investments and/or others to improve competitiveness, the Company proposes to authorize the Board to issue new stocks up to 55,000,000 shares under appropriate conditions and in determination of the method of stock issuance in common shares or in GDR for common shares or private placement for common shares, and adjustment of issuing size within the said quota at once or through installment (less than twice for private placement).

(2) Principles and Conducting of Raising Funds

1. The issuance of new common shares for capital increase in cash Pursuant to the Article 28-1 of Securities and Exchange Act, Board of Directors is authorized to choose either book building or public application regarding underwriting and proceed as below:

I. Book Building

Unless otherwise the Article 267 of the company law to retain 10%-15% new issuance shares for employees of this company and its controlled or subsidiary companies who meet certain conditions, and the remaining 85%-90% according to the Securities and Exchange Act Rule 28-1, shall be all provided with public application in the book building method. In case the actual purchases of the reserved stock options for the employees falls short, the chairperson is authorized to negotiate with specific parties to purchase those shares at the issue price in accordance with the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter “Discipline Principles”) may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange or the five business days before the ex-rights date. The aforementioned price should be determined in compliance with

related requirements of competent authorities. The Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

Pursuant to the Article 267 of Company Act, 10%-15% of the new share issuance will be reserved for preemptive subscription to employees of this company and its controlled or subsidiary companies who meet certain conditions and 10% will be reserved for public offer. The remaining 75%-80% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase shares at issuing price. The issue price of new common shares from the cash capital increase may not be lower than 70% of the average closing prices of common shares of the Company for either the one, three, or five business days before either the date on which the application is filed with the Financial Supervisory Commission or the five business days before the ex-rights date. The average closing price mentioned above shall be after adjustment for any distribution of stock/cash dividends or capital reduction.

2. The issuance of GDR for the new common shares from cash capital increase

I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for preemptive subscription to employees of this company and its controlled or subsidiary companies who meet certain conditions. For those stocks not subscribed by employees in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash

capital increase is to be determined based on general practices worldwide and it shall not affect shareholder's interests. However, the final issuing price is to be determined by the lead underwriter and the Chairman of the Board who is authorized by the Shareholders' Meeting by referring to market conditions at the time of issuance; also, it must be in compliance with related requirements of competent authorities.

- a. According to the "Disciplinary Rules", the issuing price of the new common shares from cash capital increase may not be lower than 90% of the closing price of common shares at Taipei Exchange on the price determination day or 90% of average closing price of the common shares of the Company for either one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.
- b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 55,000,000 common shares will have the maximum dilution effect of at 9.38%. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

3. Private placement for common shares for capital Increase by cash

The issuance plan of private placement for common shares is conducted pursuant to Article 43-6 of Securities Exchange Act and Directions for Public Companies Conducting Private Placements of Securities.

I. The necessity of private placement

- a. The reasons for not taking a public offering:

Consider the capital market status, effectiveness of financing, feasibility, issuance cost, and actual requirement of bringing in

strategic investors. With the limit of no-trading period of 3 years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through private placement, rather than public offering.

b. The amount of the private placement:

Less than 55,000,000 shares.

c. The capital usage plan and projected benefits of private placement:

In response to strategic alliance development or operational funds increase, overseas purchase, reimbursement of bank loan, purchase of machinery and equipment or reinvestment and any capital needs in the future, single or twice private placement at the maximum can be executed in terms of the market condition in order to bring in long-term funds at appropriate time responding to the rapidly changing industry environment and strengthening the equity structure and competitiveness of the company.

II. The rationality to determine the price of private placement

The common stock price per share shall be no less than 80% of the reference price. The reference price is set as the higher of the following two basis prices:

- a. The average closing price from either 1, 3 or 5 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.
- b. The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.

The pricing date, actual issuance price are proposed to authorize the Board to determine after taking into consideration the market status, objective conditions. The price determination above shall follow regulations from government authorities.

III. The method to determine specific parties

No specific subscriber, selected in accordance with Article 43-6 of Security and Exchange Act, has been appointed for the private placement for common shares. The strategic investors have the priority to be considered as specific parties for private placement to meet the Company's needs on technology cooperation and operation strategy.

Relevant matters about specific subscribers shall be authorized to the

chairman for full responsibility.

- IV. The necessity of subscribers to be strategic investors and projected benefits

In responding to the need of a long-term development of the company, the strategic investors will meet the company's needs on technology cooperation, quality improvement, cost reduction, stable supplier source of key components, efficiency enhancement and market expansion through their skill, knowledge, brands or channels.

- V. Rights and obligations for this private placement for common shares are basically the same with those of issued common shares of the company while according to the relevant rules of Security and Exchange Act, no-trading period of 3 years is to be followed. The private placement for common shares can be offered in public for trading after 3 years.

- VI. The issue price of the private placement for common shares (except the markup pricing), issuance conditions, issuance regulations etc. shall be proposed to authorize the Board to determine all related issues according to any changes in regulation, market or reviews from the authorities.

- (3) oval by the shareholders' meeting on the domestic capital increase by cash or the issuance of new shares and/or GDR for cash capital increase and/or the private placement for common shares, the Board is authorized to determine public offering or private placement of the issuance of common shares, conditions, volume, pricing, amount, fund usage, project items, project schedule, possible projected production benefits, record date for the capital increase and relevant matters of the private placement including commands from the authorities or market and objective environmental alteration, and others not included.
- (4) Rights and obligations about the issuance of new shares are the same with those of the issued.
- (5) Resolution required.

Resolution

Extemporary Motion

Meeting Adjourned

Attachment 1

2023 Business Report

In 2023, the solar energy market encountered excessive expansion of upstream capacity in mainland China, resulting in oversupply and price collapse; substantial modules were dumped to third places such as Europe and Southeast Asia and then re-sold in Taiwan at a lower price, affecting the local module sales in Taiwan. Coinciding with the election, where the green energy issues were over-played and magnified, resulting in a slowdown of the preparation progress in various locations. The development for the third phase of domestic offshore wind power areas was suffered from various factors including inflation, geopolitics, exchange rates, interest rates, delaying the development planning. Many market changes have once again caused the domestic solar energy industry to face many challenges. SAS continues to operate solidly in the renewable energy industry. Even though the macro environment in 2023 encountered headwinds, and faced with weak end market demand, adjustments of customers' inventory, and delays in power plant installation, SAS and companies within the Group have actively worked with customers and responded to market changes flexibly. With the support of the performance of the semiconductor and automotive subsidiaries, our revenue in 2023 reached another record high as an outstanding operating result!

The full year consolidated revenue for 2023 of Sino-American Silicon is NT\$81.97 billion, or 0.12% annual growth; the operating gross profit is NT\$26.69 billion, and the operating net profit is NT\$18.61 billion; the profit before tax is NT\$24.55 billion, and the profit after tax is NT\$17.78 billion, the net profit after tax attributable to the parent is NT\$9.84 billion, with EPS after tax of NT\$16.99. 2023 Consolidated revenue and EPS both reached record highs!

The operating results in 2023 and the business plan in 2024 are reported as follows:

I. Operating Results in 2023

(I) Business Plan Implementation Results

Unit: NT\$ thousands

Year Item	2023	2022	Percent Change (%)
Revenue	81,965,952	81,871,496	0.12
Cost of Goods Sold	55,279,360	49,942,234	10.69
Gross Profit	26,686,592	31,929,262	-16.42
Operating Expenses	8,079,809	6,529,448	23.74
Operating Income	18,606,783	25,399,814	-26.74

Profit Before Tax	24,549,412	20,828,706	17.86
Net Profit	17,778,912	16,160,497	10.01
Net Profit (Attributable to the parent company of the current period)	9,843,820	8,715,811	12.94

(II) Budget Implementation: The Company had not announced its financial forecast for 2023.

(III) Profitability Analysis

Item			2023	2022
Financial Structure	Debt to Asset Ratio (%)		63.64	65.35
	Long-term funds to PPE (PPE-plant, property, equipment) (%)		153.90	295.00
Profitability Analysis	Return on Assets		8.72	9.12
	Return on Equity (%)		23.69	26.87
	Percentage in Paid-up Capital (%)	Operating Profit	317.40	433.28
		Profit Before Tax	418.77	355.30
	Net profit Margin (%)		21.69	19.74
	After-tax earnings per share (NT\$)		16.99	14.87

(IV) Financial Income and Expenditure

The Company's 2023 operating revenue is NT\$81,965,952 thousand, the operating cost is NT\$55,279,360 thousand, the operating expenses is NT\$8,079,809 thousand. The net non-operating income NT\$5,942,629 thousand, the net profit before tax is NT\$ 24,549,412 thousand, and the net profit after tax is NT\$17,778,912 thousand; the financial revenue and expenditure are normal.

(V) Research and Development Status

1. R&D expenditure in 2023

Unit: NT\$ Thousand

Item/Year	2023	2022
R&D Expenses	2,958,105	2,348,112
Net operating revenues	81,965,952	81,871,496
R&D expenses as a percentage of net revenue (%)	3.61	2.87

2. R&D results in 2023

Name of technology or product

(1) High quality multi-crystalline silicon materials

(2) Large-sized high efficiency P-type mono crystalline silicon solar cells

3. Future R&D plan:

(1) Development of Large Size Ultra-High Efficiency mono-Si Solar Cell Technology

II. Summary of the Business Plan for 2024

(I) Operating Philosophy

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

(II) Estimated Sales Volume and its Basis

With the global green deal, and the adoption of acts or actions by various countries to encourage the development of renewable energies and stabilization of the energy supply, the demand for solar energy around the world has increased significantly. PVinfo Link analysts estimate that the annual installation volume in 2024 will be up to 463 GW. High-efficiency single-crystal N-type products will become the mainstream trend. Therefore, the Company has a firm grasp of market trends and industry pulse and timely adjustment on management strategies and to develop new-generation ultra-efficient products to strengthen the Company's overall maneuvering competitiveness.

(III) Important production and marketing policies:

- (1) Continuously develop the regional market, to catch trading opportunities under the trade war and new green policies.
- (2) Enhance collaboration with long-term customers, and develop niche products with high efficiency and large size
- (3) Increase the added values while actively reducing manufacturing costs to increase margins.
- (4) To conduct in-depth downstream system business development, strengthen vertical integration and global deployment, and increase operating profit ratios

- (5) Expanding collaboration with different types of renewable energy power generators, to satisfy the self and supply chain demands.

(IV) Development Strategies of the Company in the Future

- (1) Develop the compound semiconductor platform by applying the Group's synergies.
- (2) Continue developing and enhancing the cost to price ratio of solar products through technologies and product size differentiation strategies to solidify the competitive position.
- (3) Actively give play to the strategic layout of solar power plants, develop new solar energy system investment partners, and create the Group's terminal market to obtain long-term stable returns.
- (4) Establish a fully integrated supply chain in the upper, middle, and lower reaches, spread operational risks through vertical integration and diversified business strategies, and become the world's provider of green energy solutions with leading technologies.
- (5) Respond to the solution opportunities derived from climate change and become a sustainable operation partner of our customers.
- (6) Responding to the re-examination of energy policies in various countries, the Company actively strives for overseas opportunities to test samples and expand international markets.
- (7) Develop overseas green power opportunities and derivative service markets.

(V) Effect of External Competition, Regulatory Environment and Overall Economic Environment

- (1) In response to several competitors, the Company has accelerated the development of strategic customers and continued to develop new products with high-cost effectiveness. At the same time, it accelerates the integration of downstream system power stations to strengthen the downstream market of the Group's products.
- (2) Uncertainties of geopolitics: the battles of new energies between China and the U.S., and the uncertainties related to the tariff barrier policies.
- (3) To accommodate the liberalization of the green power transaction market, assistance services provided by Taipower, and corporates' demands toward green power, the new energy strategy and opportunity development workforce has been established to meet clients' new demands with internal transformation.
- (4) Enhance confidentiality control and establish a global core patent distribution strategy to improve international competitiveness and respond to market changes.
- (5) Grasp opportunities of the U.S. IRA and evaluate the possibility of serving customers in the proximity.

At the UN Climate Conference 28 (COP28), nearly 200 countries committed to "transform the energy system and move away from fossil fuels," and approximately 100 countries committed to triple the current renewable energy consumption by 2030. The U.S. encourages on-shore manufacturing (IRA + Local Content) with investment incentives, aiming to remove the supply chain in China/Southeast Asia. The European Parliament has passed amendments to the Renewable Energy Directive (RED) in October 2023. It is expected that the renewable energies accounts for 42.5% of final energy consumption in 2030, and the target is to achieve 45%, accelerating the development of solar PV, wind power and other renewable energies. This shows that when facing energy transformation challenges, countries around the world are increasing their focuses to renewable energies. SAS also seizes the related development opportunities, seeking to get rid of the predicament of being stuck in Taiwan and break outwards. In the future, SAS will continue to work with the Group's affiliates in different fields such as renewable energies, semiconductors, and automotive components, and keeps on improving operating performance steadily and sustains good operating results.

Chairperson Hsiu-Lan Hsu

President Chen-Chien Chen

Chief Accounting Hsiu-Ling Hsu

Attachment 2

Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. Sino-American Silicon Products Inc. Consolidated and Standalone Financial Statements have been audited and certified by An-Chih, Cheng, CPA, and Mei-Yu, Tseng, CPA, of KPMG and audit review reports relating to the Financial Statements have been issued. The aforementioned Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of Sino-American Silicon Products Inc. according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Sino-American Silicon Products Inc.

Audit Committee Convener:

Chin-Tang, Liu

May 10, 2024

Attachment 3

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Sino-American Silicon Products Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition from contracts with customers

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

Description of key audit matter:

The Group's semiconductor segment revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, and because of different sales terms and trilateral trade within the group companies, it is more important to identify the timing of revenue recognition. Therefore, the cut-off of revenue is one of the key areas our audit focused on.

How the matter was addressed in our audit:

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

2. Goodwill impairment assessment

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

Sino-American Silicon Products Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2023 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

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

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

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(1) and 9)	\$ 30,827,503	14	86,215,158	44	2100	Short-term borrowings (notes 6(14) and 8)	\$ 31,811,162	14	9,796,000	5
1110	Financial assets at fair value through profit or loss — current (note 6(2))	9,995	-	32,415	-	2120	Financial liabilities at fair value through profit or loss — current (notes 6(2) and (16))	204,322	-	1,219	-
1136	Financial assets measured at amortized cost — current (notes 6(4) and 7)	-	-	331,609	-	2130	Contract liabilities — current (note 6(23))	10,493,887	5	10,514,416	5
1170	Notes and accounts receivable, net (notes 6(5) and (23))	12,228,049	5	11,255,045	6	2170	Notes and accounts payable	5,958,638	3	5,129,293	3
1180	Accounts receivable due from related parties, net (notes 6(23) and 7)	-	-	83,043	-	2180	Accounts payable to related parties (note 7)	-	-	1,195	-
130X	Inventories (note 6(6))	12,556,397	6	10,789,580	5	2201	Payroll and bonus payable	5,310,525	2	4,392,988	2
1476	Other financial assets — current (notes 6(1) and 8)	43,551,516	19	5,522,717	3	2216	Dividends payable	3,756,469	2	3,257,330	2
1479	Other current assets (note 6(13))	<u>2,204,462</u>	<u>1</u>	<u>1,822,111</u>	<u>1</u>	2250	Provisions — current (note 6(18))	293,127	-	441,556	-
		<u>101,377,922</u>	<u>45</u>	<u>116,051,678</u>	<u>59</u>	2230	Current tax liabilities	4,070,647	2	4,889,132	2
Non-current assets:						2270	Convertible bonds, current portion (note 6(16))	6,647,050	3	-	-
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	12,567,498	6	9,331,720	5	2321	Bonds payable, current portion (note 6(16))	7,098,400	3	-	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	3,464,865	1	1,444,845	1	2322	Long-term borrowings, current portion (note 6(15))	1,870,689	1	35,316	-
1550	Investments accounted for using equity method (note 6(7))	1,494,831	1	2,507,749	1	2399	Other current liabilities (notes 6(17), 7 and 9)	<u>9,977,315</u>	<u>4</u>	<u>5,144,003</u>	<u>3</u>
1600	Property, plant and equipment (notes 6(10), 7 and 8)	89,667,689	40	51,865,962	27			<u>87,492,231</u>	<u>39</u>	<u>43,602,448</u>	<u>22</u>
1755	Right-of-use assets (note 6(11))	1,459,674	1	815,962	-	Non-Current liabilities:					
1780	Intangible assets (note 6(12))	5,695,213	2	7,124,580	4	2527	Contract liabilities — non-current (notes 6(23) and 9)	24,970,383	11	29,046,638	15
1840	Deferred tax assets (note 6(20))	3,652,099	2	2,699,496	1	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (16))	-	-	466,831	-
1980	Other financial assets — non-current (notes 8 and 9)	845,746	-	203,658	-	2530	Convertible bonds (note 6(16))	762,039	-	23,793,835	12
1990	Other non-current assets (note 6(13))	<u>5,269,688</u>	<u>2</u>	<u>4,563,740</u>	<u>2</u>	2531	Bonds payable (note 6(16))	11,893,051	5	18,986,110	10
		<u>124,117,303</u>	<u>55</u>	<u>80,557,712</u>	<u>41</u>	2540	Long-term borrowings (notes 6(15) and 8)	4,514,138	2	868,325	-
						2550	Provisions — non-current (note 6(18))	3,202,855	1	3,322,452	2
						2570	Deferred tax liabilities (note 6(20))	6,034,723	3	4,613,886	2
						2670	Other non-current liabilities (notes 6(17), 7 and 9)	3,022,729	1	2,237,993	1
						2640	Net defined benefit liabilities (note 6(19))	<u>1,608,901</u>	<u>1</u>	<u>1,539,328</u>	<u>1</u>
								<u>56,008,819</u>	<u>24</u>	<u>84,875,398</u>	<u>43</u>
								<u>143,501,050</u>	<u>63</u>	<u>128,477,846</u>	<u>65</u>
						Total liabilities					
						Equity (note 6(21)):					
						3110	Ordinary shares	<u>5,862,217</u>	<u>3</u>	<u>5,862,217</u>	<u>3</u>
						3200	Capital surplus	<u>16,955,211</u>	<u>8</u>	<u>16,846,163</u>	<u>8</u>
						3300	Retained earnings	<u>19,764,133</u>	<u>9</u>	<u>15,138,189</u>	<u>8</u>
						3400	Other equity interest	<u>(6,457,122)</u>	<u>(3)</u>	<u>(5,973,997)</u>	<u>(3)</u>
						3500	Treasury shares	<u>(4,382,100)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
							Total equity attributable to shareholders of the Company	<u>31,742,339</u>	<u>15</u>	<u>31,872,572</u>	<u>16</u>
						36XX	Non-controlling interests (note 6(9))	<u>50,251,836</u>	<u>22</u>	<u>36,258,972</u>	<u>19</u>
							Total equity	<u>81,994,175</u>	<u>37</u>	<u>68,131,544</u>	<u>35</u>
Total assets		<u>\$ 225,495,225</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>	Total liabilities and equity		<u>\$ 225,495,225</u>	<u>100</u>	<u>196,609,390</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(23) and 7)	\$ 81,965,952	100	81,871,496	100
5000	Operating costs (notes 6(6), (10), (12), (18), (19), (24) and 7)	55,279,360	67	49,942,234	61
	Gross profit from operations	26,686,592	33	31,929,262	39
	Operating expenses (notes 6(10), (12), (18), (19), (24) and 7):				
6100	Selling expenses	1,834,943	2	1,871,220	2
6200	Administrative expenses	3,269,192	4	2,298,523	3
6300	Research and development expenses	2,958,105	4	2,348,112	3
6450	Expected credit losses (note 6(5))	17,569	-	11,593	-
	Total operating expenses	8,079,809	10	6,529,448	8
	Net operating income	18,606,783	23	25,399,814	31
	Non-operating income and expenses:				
7100	Interest income (notes 6(25) and 7)	3,314,614	4	1,166,374	1
7020	Other gains and losses (note 6(26))	3,204,443	4	(5,358,421)	(6)
7050	Finance costs (note 6(25) and 7)	(792,883)	(1)	(533,992)	(1)
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	216,455	-	154,931	-
		5,942,629	7	(4,571,108)	(6)
	Income before income tax	24,549,412	30	20,828,706	25
7950	Less: Income tax expense (note 6(20))	6,770,500	8	4,668,209	5
	Net income	17,778,912	22	16,160,497	20
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(19))	506,786	1	60,630	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,254,928	2	(335,606)	-
8320	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27))	31,580	-	(961,175)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(20))	(58,823)	-	77,425	-
		1,734,471	3	(1,158,726)	(1)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(1,756,777)	(2)	520,421	-
8370	Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27))	158	-	2,890	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(20))	319,692	-	(63,730)	-
		(1,436,927)	(2)	459,581	-
8300	Other comprehensive income (after tax)	297,544	1	(699,145)	(1)
	Total comprehensive income	<u>\$ 18,076,456</u>	<u>23</u>	<u>15,461,352</u>	<u>19</u>
	Net income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 9,843,820	12	8,715,811	11
	Non-controlling interests	7,935,092	10	7,444,686	9
		<u>\$ 17,778,912</u>	<u>22</u>	<u>16,160,497</u>	<u>20</u>
	Total comprehensive income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 9,634,137	12	8,203,317	10
	Non-controlling interests	8,442,319	10	7,258,035	9
		<u>\$ 18,076,456</u>	<u>22</u>	<u>15,461,352</u>	<u>19</u>
	Earnings per share (NT dollars) (note 6(22))				
9750	Basic earnings per share	<u>\$ 16.99</u>		<u>14.87</u>	
9850	Diluted earnings per share	<u>\$ 16.89</u>		<u>14.75</u>	

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the three months and years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Retained earnings						Other equity interest							
							Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total	Non-controlling interests	Total equity
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings									
Balance at January 1, 2022	\$ 5,862,217	18,304,186	1,342,786	1,330,442	7,136,458	9,809,686	(4,905,534)	(527,417)	(6,056)	(5,439,007)	-	28,537,082	23,625,856	52,162,938
Net income for the period	-	-	-	-	8,715,811	8,715,811	-	-	-	-	-	8,715,811	7,444,686	16,160,497
Other comprehensive income for the period	-	-	-	-	25,791	25,791	289,287	(827,572)	-	(538,285)	-	(512,494)	(186,651)	(699,145)
Comprehensive income for the period	-	-	-	-	8,741,602	8,741,602	289,287	(827,572)	-	(538,285)	-	8,203,317	7,258,035	15,461,352
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	688,322	-	(688,322)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,108,566	(4,108,566)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(3,413,099)	(3,413,099)	-	-	-	-	-	(3,413,099)	-	(3,413,099)
Changes in equity of subsidiaries and associates accounted for using equity method	-	(357,586)	-	-	-	-	-	-	3,295	3,295	-	(354,291)	(524,687)	(878,978)
Distribution of cash dividends using capital surplus	-	(1,100,807)	-	-	-	-	-	-	-	-	-	(1,100,807)	-	(1,100,807)
Others	-	370	-	-	-	-	-	-	-	-	-	370	-	370
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3,008,846)	(3,008,846)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	8,908,614	8,908,614
Balance at December 31, 2022	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	-	-	-	-	9,843,820	9,843,820	-	-	-	-	-	9,843,820	7,935,092	17,778,912
Other comprehensive income for the period	-	-	-	-	206,935	206,935	(727,450)	310,832	-	(416,618)	-	(209,683)	507,227	297,544
Comprehensive income for the period	-	-	-	-	10,050,755	10,050,755	(727,450)	310,832	-	(416,618)	-	9,634,137	8,442,319	18,076,456
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	1,364,576	-	(1,364,576)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	749,156	(749,156)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,451,838)	(5,451,838)	-	-	-	-	-	(5,451,838)	(3,790,640)	(9,242,478)
Holding of the company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	-	-	(4,382,100)	(4,382,100)	-	(4,382,100)
Changes in equity of subsidiaries and associates accounted for using equity method	-	108,525	-	-	(35,254)	(35,254)	-	(2,700)	(1,526)	(4,226)	-	69,045	225,352	294,397
Others	-	523	-	-	-	-	-	-	-	-	-	523	-	523
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	9,115,833	9,115,833
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	62,281	62,281	-	(62,281)	-	(62,281)	-	-	-	-
Balance at December 31, 2023	\$ 5,862,217	16,955,211	3,395,684	6,188,164	10,180,285	19,764,133	(5,343,697)	(1,109,138)	(4,287)	(6,457,122)	(4,382,100)	31,742,339	50,251,836	81,994,175

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 24,549,412	20,828,706
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	8,346,034	6,898,266
Amortization expenses	352,726	391,894
Expected credit losses	17,569	11,593
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(2,846,622)	9,779,670
Interest expenses	792,883	533,992
Interest income	(3,314,614)	(1,166,374)
Dividend income	(449,104)	(407,388)
Shares of profit of associates accounted for using equity method	(216,455)	(154,931)
Gain on disposal of property, plant and equipment	(131,941)	(109,278)
Gains on disposal of investments	(2,149,169)	(81,331)
Recognition of impairment losses on non-financial assets	3,758,173	81,903
Recognition of write-down of inventory	139,945	231,675
Reversal of provisions	(270,432)	(220,596)
Lease modification gain	(15)	(26)
Total adjustments	<u>4,028,978</u>	<u>15,789,069</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	199,471	(1,183,599)
Inventories	(641,268)	(1,891,042)
Prepayments	126,383	556,211
Other assets	(372,452)	(141,397)
Other financial assets	(120,420)	11,824
Contract liabilities	(4,241,458)	7,147,382
Notes and accounts payable (including related parties)	79,629	552,793
Net defined benefit liabilities	54,108	(239,779)
Other operating liabilities	<u>622,742</u>	<u>(1,087,387)</u>
Total changes in operating assets and liabilities	<u>(4,293,265)</u>	<u>3,725,006</u>
Total adjustments	<u>(264,287)</u>	<u>19,514,075</u>
Cash inflow generated from operations	24,285,125	40,342,781
Interest received	2,251,296	1,083,902
Dividends received	449,104	407,388
Interest paid	(772,722)	(184,647)
Income taxes paid	<u>(6,138,088)</u>	<u>(2,848,492)</u>
Net cash flows generated from operating activities	<u>20,074,715</u>	<u>38,800,932</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income and prepayments for investments	(561,724)	(384,174)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	21,414	17,911
Proceeds from disposal of financial assets at amortized cost	330,000	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	148,646	-
Acquisition of financial assets at fair value through profit or loss	(33,741)	(28,578)
Proceeds from capital reduction of financial assets at fair value through profit or loss	17,908	8,572
Acquisition of investments accounted for using equity method	(639,832)	(778,083)
Proceeds from disposal of investments accounted for using equity method	-	60,108
Cash dividends from investment accounted for using equity method	137,557	144,758
Acquisition of property, plant and equipment, and prepayments of equipment	(37,837,840)	(13,615,531)
Proceeds from disposal of property, plant and equipment	286,572	120,803
Acquisition of intangible assets	(11,710)	(31,210)
Net cash inflows from business combination	1,575,469	2,508,530
Increase in other financial assets	(36,462,988)	(489,910)
Net cash flows used in investing activities	(73,030,269)	(12,466,804)
Cash flows from financing activities:		
Increase in short-term loans	20,884,819	2,036,698
Repayments of bonds	(17,644,805)	(2,748,404)
Increase in long-term borrowings	4,876,227	-
Repayments of long-term borrowings	(705,592)	(228,646)
Increase in guarantee deposits received	39,758	1,545,318
Payment of lease liabilities	(221,403)	(194,191)
Cash dividends and capital surplus distribution	(8,742,111)	(8,551,737)
Change in non-controlling interests	4,839	-
Acquisition of equity in subsidiaries from non-controlling interests	-	(66,839)
Other financing activities	523	370
Net cash flows used in financing activities	(1,507,745)	(8,207,431)
Effect of exchange rate changes on cash and cash equivalents	(924,356)	970,555
Increase (decrease) in cash and cash equivalents	(55,387,655)	19,097,252
Cash and cash equivalents at beginning of period	86,215,158	67,117,906
Cash and cash equivalents at end of period	\$ 30,827,503	86,215,158

See accompanying notes to consolidated financial statements.

Independent Auditors’ Report

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

Opinion

We have audited the parent-company-only financial statements of Sino-American Silicon Products Inc. (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

Evaluation of investments accounted for using equity method

For the accounting policies of the assessment of the investment under equity method, please refer to note 4(8) “Investment in associates” and note 4(9) “Investment in subsidiaries” of the parent-company-only financial statements; for the assessment of the investment under equity method, please refer to the parent-company-only financial statements of note 6(7) “Investments accounted for using equity method” .

Description of key audit matter:

The Company holds 51.14% of the shares in the equity investment subsidiary, GlobalWafers Co., Ltd. Given that most of the subsidiaries of GlobalWafers Co., Ltd. are mainly arising from business combinations, and GlobalWafers operates in an industry subjected to fluctuations in the market environment and other factors, the recognition of the revenue of subsidiaries and the assessment of goodwill impairment are important. It is considered to be one of the key areas in our audit.

How the matter was addressed in our audit:

The principal audit procedures performed for the recognition of revenue related to investees under equity method include understanding the accounting policies adopted for the revenue recognition; assessing the design of the internal control system of sales revenue; and testing selected samples of individual transactions to support the appropriateness of the recognition of revenue. The principal audit procedures for the goodwill impairment assessment include: assessing the cash generating unit that the management has identified to impair and indicators of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amounts of cash generating units; evaluating various assumptions used for future cash flow projections and calculating recoverable amounts, and performing the sensitivity analysis of the key assumptions.

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

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

February 29, 2024

Notes to Readers

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

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

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
Sino-American Silicon Products Inc.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Liabilities and Equity					
1100	Cash and cash equivalents (note 6(1))	\$ 186,316	1	416,214	1	2100	Short-term borrowings (note 6(11))	\$ 5,400,000	11	3,150,000	8
1136	Financial assets measured at amortized cost—current (notes 6(4) and 7)	-	-	331,609	1	2120	Financial liabilities at fair value through profit or loss—current (note 6(2))	-	-	1,219	-
1170	Notes and accounts receivable, net (notes 6(5) and (17))	541,523	1	805,367	2	2130	Contract liabilities—current (notes 6(18) and 7)	441,877	1	661,482	1
1180	Accounts receivable due from related parties, net (note 7)	1,409,785	3	1,128,486	3	2170	Notes and accounts payable	713,757	2	906,296	2
130X	Inventories (note 6(6))	596,224	1	1,089,216	2	2180	Accounts payable to related parties (note 7)	5,934	-	7,334	-
1421	Prepayments to suppliers	4,713	-	13,786	-	2201	Payroll and bonus payable	1,888,158	4	1,508,268	3
1479	Other current assets	<u>147,074</u>	<u>-</u>	<u>75,761</u>	<u>-</u>	2216	Dividends payable	2,051,776	4	1,875,909	4
	Total current assets	<u>2,885,635</u>	<u>6</u>	<u>3,860,439</u>	<u>9</u>	2250	Provisions—current (note 6(13))	270,729	1	417,481	1
Non-current assets:						2399	Other current liabilities—other (notes 6(12) and 7)	<u>339,678</u>	<u>1</u>	<u>324,753</u>	<u>1</u>
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	641,330	1	-	-		Total current liabilities	<u>11,111,909</u>	<u>24</u>	<u>8,852,742</u>	<u>20</u>
1550	Investments accounted for using equity method (notes 6(7) and 7)	40,913,728	88	37,485,104	84		Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(8) and 7)	2,317,358	5	3,370,618	7	2527	Contract liabilities—non-current (notes 6(18) and 7)	1,000,594	2	1,030,729	2
1755	Right-of-use assets (note 6(9))	97,768	-	123,081	-	2550	Provisions—non-current (note 6(13))	3,029,236	7	3,165,684	7
1780	Intangible assets (note 6(10))	13,969	-	19,749	-	2600	Other non-current liabilities (notes 6(12) and (14))	<u>157,367</u>	<u>-</u>	<u>96,109</u>	<u>-</u>
1900	Other non-current assets (note 6(14) and (15))	116,096	-	111,952	-		Total non-current liabilities	<u>4,187,197</u>	<u>9</u>	<u>4,292,522</u>	<u>9</u>
1980	Other financial assets—non-current(note 8)	<u>55,561</u>	<u>-</u>	<u>46,893</u>	<u>-</u>		Total liabilities	<u>15,299,106</u>	<u>33</u>	<u>13,145,264</u>	<u>29</u>
	Total non-current assets	<u>44,155,810</u>	<u>94</u>	<u>41,157,397</u>	<u>91</u>		Equity (note 6(16)):				
						3110	Ordinary shares	<u>5,862,217</u>	<u>12</u>	<u>5,862,217</u>	<u>13</u>
						3200	Capital surplus	<u>16,955,211</u>	<u>36</u>	<u>16,846,163</u>	<u>37</u>
						3300	Retained earnings	<u>19,764,133</u>	<u>42</u>	<u>15,138,189</u>	<u>34</u>
						3400	Other equity interest	<u>(6,457,122)</u>	<u>(14)</u>	<u>(5,973,997)</u>	<u>(13)</u>
						3500	Treasury shares	<u>(4,382,100)</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
							Total equity	<u>31,742,339</u>	<u>67</u>	<u>31,872,572</u>	<u>71</u>
	Total assets	<u><u>\$ 47,041,445</u></u>	<u><u>100</u></u>	<u><u>45,017,836</u></u>	<u><u>100</u></u>		Total liabilities and equity	<u><u>\$ 47,041,445</u></u>	<u><u>100</u></u>	<u><u>45,017,836</u></u>	<u><u>100</u></u>

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
Sino-American Silicon Products Inc.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(18) and 7)	\$ 6,839,173	100	10,217,338	100
5000	Operating costs (notes 6(6), (8), (9), (10), (12), (13), (14), (19) and 7)	<u>7,473,703</u>	<u>109</u>	<u>9,004,655</u>	<u>88</u>
	Gross profit from operations	<u>(634,530)</u>	<u>(9)</u>	<u>1,212,683</u>	<u>12</u>
	Operating expenses (notes 6(9), (10), (12), (14), (19) and 7):				
6100	Selling expenses	79,277	1	80,315	1
6200	Administrative expenses	469,806	7	502,197	5
6300	Research and development expenses	<u>146,181</u>	<u>2</u>	<u>93,932</u>	<u>1</u>
	Total operating expenses	<u>695,264</u>	<u>10</u>	<u>676,444</u>	<u>7</u>
	Net operating income (loss)	<u>(1,329,794)</u>	<u>(19)</u>	<u>536,239</u>	<u>5</u>
	Non-operating income and expenses:				
7100	Interest income (notes 6(20) and 7)	26,858	-	27,100	-
7020	Other gains and losses (notes 6(21) and 7)	990,256	14	378,059	4
7050	Finance costs (notes 6(22) and 7)	<u>(63,838)</u>	<u>(1)</u>	<u>(26,154)</u>	<u>-</u>
7060	Share of profit of associates and subsidiaries accounted for using equity method (note 6(7))	<u>10,242,606</u>	<u>150</u>	<u>7,760,113</u>	<u>76</u>
		<u>11,195,882</u>	<u>163</u>	<u>8,139,118</u>	<u>80</u>
	Income before income tax	9,866,088	144	8,675,357	85
7950	Less: Income tax expenses (benefits) (note 6(15))	<u>22,268</u>	<u>-</u>	<u>(40,454)</u>	<u>-</u>
	Net income	<u>9,843,820</u>	<u>144</u>	<u>8,715,811</u>	<u>85</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(14))	(645)	-	1,645	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(16))	111,450	2	-	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method — components of other comprehensive income that will not be reclassified to profit or loss (note 6(16))	<u>406,962</u>	<u>6</u>	<u>(803,426)</u>	<u>(8)</u>
		<u>517,767</u>	<u>8</u>	<u>(801,781)</u>	<u>(8)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note 6(16))	(724,906)	(11)	311,042	3
8380	Share of other comprehensive income of associates accounted for using equity method — components of other comprehensive income that may be reclassified to profit or loss (notes 6(16) and (23))	158	-	2,890	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(15))	<u>(2,702)</u>	<u>-</u>	<u>(24,645)</u>	<u>-</u>
		<u>(727,450)</u>	<u>(11)</u>	<u>289,287</u>	<u>3</u>
8300	Other comprehensive income (after tax)	<u>(209,683)</u>	<u>(3)</u>	<u>(512,494)</u>	<u>(5)</u>
	Total comprehensive income	<u><u>\$ 9,634,137</u></u>	<u><u>141</u></u>	<u><u>8,203,317</u></u>	<u><u>80</u></u>
	Earnings per share (NT dollars) (note 6(17))				
9750	Basic earnings per share	<u>\$ 16.99</u>		<u>14.87</u>	
9850	Diluted earnings per share	<u>\$ 16.89</u>		<u>14.75</u>	

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
Sino-American Silicon Products Inc.

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Other equity interest											
			Retained earnings				Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings						
Balance at January 1, 2022	\$ 5,862,217	18,304,186	1,342,786	1,330,442	7,136,458	9,809,686	(4,905,534)	(527,417)	(6,056)	(5,439,007)	-	28,537,082
Net income for the year	-	-	-	-	8,715,811	8,715,811	-	-	-	-	-	8,715,811
Other comprehensive income for the year	-	-	-	-	25,791	25,791	289,287	(827,572)	-	(538,285)	-	(512,494)
Comprehensive income for the year	-	-	-	-	8,741,602	8,741,602	289,287	(827,572)	-	(538,285)	-	8,203,317
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	688,322	-	(688,322)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,108,566	(4,108,566)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(3,413,099)	(3,413,099)	-	-	-	-	-	(3,413,099)
Distribution of cash dividends using capital surplus	-	(1,100,807)	-	-	-	-	-	-	-	-	-	(1,100,807)
Changes in equity of associates accounted for using equity method	-	(357,586)	-	-	-	-	-	-	3,295	3,295	-	(354,291)
Others	-	370	-	-	-	-	-	-	-	-	-	370
Balance at December 31, 2022	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
Net income for the year	-	-	-	-	9,843,820	9,843,820	-	-	-	-	-	9,843,820
Other comprehensive income for the year	-	-	-	-	206,935	206,935	(727,450)	310,832	-	(416,618)	-	(209,683)
Comprehensive income for the year	-	-	-	-	10,050,755	10,050,755	(727,450)	310,832	-	(416,618)	-	9,634,137
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	1,364,576	-	(1,364,576)	-	-	-	-	-	-	-
Special reserve	-	-	-	749,156	(749,156)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(5,451,838)	(5,451,838)	-	-	-	-	-	(5,451,838)
Changes in equity of associates accounted for using equity method	-	108,525	-	-	(35,254)	(35,254)	-	(2,700)	(1,526)	(4,226)	-	69,045
Other changes in capital surplus	-	523	-	-	-	-	-	-	-	-	-	523
Holding of the company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	-	-	(4,382,100)	(4,382,100)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	62,281	62,281	-	(62,281)	-	(62,281)	-	-
Balance at December 31, 2023	\$ 5,862,217	16,955,211	3,395,684	6,188,164	10,180,285	19,764,133	(5,343,697)	(1,109,138)	(4,287)	(6,457,122)	(4,382,100)	31,742,339

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
Sino-American Silicon Products Inc.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 9,866,088	8,675,357
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	582,432	461,718
Amortization expenses	6,720	948
Net loss on financial assets or liabilities at fair value through profit or loss	(1,219)	1,184
Interest expense	63,838	26,154
Interest incomes	(26,858)	(27,100)
Dividend income	(3,875)	-
Shares of profit of subsidiaries and associates accounted for using equity method	(10,242,606)	(7,760,113)
Gains on disposal of property, plant and equipment	(9,088)	(11,219)
Gains on disposal of investments	(2,149,169)	(81,331)
Recognition (reversal) of write-down of inventory	(78,589)	209,445
Recognition of impairment losses on non-financial assets	2,151,604	53,983
Reversal of provisions	(283,200)	(316,975)
Gain on lease modification	(15)	-
Total adjustments	(9,990,025)	(7,443,306)
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	192,217	(119,367)
Inventories	571,582	(574,776)
Prepayments	9,073	145,897
Other operating assets	(69,796)	126,840
Notes and accounts payable (including related parties)	(193,878)	417,457
Contract liabilities	(249,740)	(1,171,751)
Net defined benefit liabilities	(420)	-
Other operating liabilities	741,823	286,574
Total changes in operating assets and liabilities	1,000,861	(889,126)
Total adjustments	(8,989,164)	(8,332,432)
Cash inflow generated from operations	876,924	342,925
Interest received	29,378	21,522
Dividends received	3,875	-
Interest paid	(61,850)	(21,753)
Income taxes refund (paid)	614	(1,455)
Net cash flows generated from operating activities	848,941	341,239

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
Sino-American Silicon Products Inc.

Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(529,880)	-
Repayment at maturity of financial assets at amortized cost	330,000	-
Increase in intercompany loan due from related parties	(610,841)	(111,761)
Acquisition of investments accounted for using equity method	(641,404)	(844,922)
Proceeds from disposal of investments accounted for using equity method	-	153,268
Cash dividends from investment accounted for using equity method	3,676,103	3,829,112
Acquisition of property, plant and equipment, prepayments of equipment	(286,002)	(714,641)
Proceeds from disposal of property, plant and equipment	98	3,012
Acquisition of intangible assets	(940)	(19,833)
Decrease (increase) in other financial assets	(8,668)	8,487
Decrease in prepayments for investments	-	3,411
Net cash flows generated from investing activities	<u>1,928,466</u>	<u>2,306,133</u>
Cash flows from financing activities:		
Increase in short-term loans	2,250,000	1,654,697
Increase in guarantee deposits	52,693	30,009
Payment of the lease liabilities	(32,077)	(31,202)
Cash dividends and capital surplus distribution	(5,275,972)	(4,689,773)
Others	523	370
Net cash flows used in financing activities	<u>(3,004,833)</u>	<u>(3,035,899)</u>
Effect of exchange rate changes on cash and cash equivalents	(2,472)	-
Net decrease in cash and cash equivalents	(229,898)	(388,527)
Cash and cash equivalents at beginning of period	416,214	804,741
Cash and cash equivalents at end of period	<u><u>\$ 186,316</u></u>	<u><u>416,214</u></u>

See accompanying notes to parent-company-only financial statements.

Attachment 4

Sino-American Silicon Products Inc. Profit Distribution Table Year 2023

(Unit: NT\$)

Items	Amount	
Beginning retained earnings		\$2,858,838,046
Plus (Less)		
Current change on defined benefit remeasurements	206,934,606	
Equity method recognition of retained earnings of subsidiaries and associates	(35,254,781)	
Disciplinary action of equity instruments through other comprehensive income measured at the fair value	62,281,642	
2023 net income	9,843,820,055	10,077,781,522
Beginning unappropriated retained earnings		12,936,619,568
Plus (Less)		
Provision as legal reserve		
20231H accumulated provision	(490,415,888)	
2023 provision for discrepancy	(517,362,264)	(1,007,778,152)
Reversal (Provision) of equity deduction special reserve		
Prior period - 20231H accumulated provision	(214,165,967)	
2023 provision for discrepancy	(264,670,920)	(478,836,887)
Item of distribution		
Share dividends-cash		
2023 interim earnings that were distributed (NTD 3.5 per share)	(2,051,775,779)	
2023 earnings to be distributed (NTD 5.3 per share)	(3,106,974,750)	(5,158,750,529)
Ending unappropriated earnings		\$6,291,254,000
Note: The amount of cash dividends to be distributed are calculated according to the proportion recorded in the shareholder registry on the record date of distribution and rounded up by the unit of NT\$1 (less than NT\$1 is excluded), and the total amount of the distributive payments less than NT\$1 are included in other income.		

Chairperson: Hsiu-Lan Hsu President: Cheng-chien Chen Chief Accounting: Hsiu-Ling Hsu

Attachment 5

Sino-American Silicon Products Inc.

Comparison Chart of Policies and Procedures for Financial Derivatives Transactions

Article	Before	After	Remark
4	<p>The types of derivatives that may be traded</p> <p>Derivative products that the Company can buy or sell <u>include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.</u></p>	<p>The types of derivatives that may be traded</p> <p>Derivative products that the Company can buy or sell <u>are limited to derivative products as defined in Article two and three of this procedure.</u></p>	In response to the company's financial activities and fundraising, derivative product scope will be adjusted to accommodate hedging needs.
5	<p>Transaction principle and guideline</p> <p>The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions <u>shall be based on the principle of hedging currency and interest rate risks only</u>, which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The instruments shall meet the Company's actual hedging needs.</p>	<p>Transaction principle and guideline</p> <p>The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions <u>should be on safeguarding the company's operational profit and mitigating risks such as exchange rate, interest rate, or asset-liability price fluctuations through hedging transactions</u>, which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The instruments shall meet the Company's actual hedging needs.</p>	As in Article 4.
6	<p>The loss ceiling on total trading and for individual</p> <p>Loss limit of <u>"Hedge-oriented transactions"</u> is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate.</p>	<p>The loss ceiling on total trading and for individual</p> <p>Loss limit of "Hedge-oriented transactions" is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate. <u>If contract losses exceed the specified limit, the Finance</u></p>	In the event of contract loss surpassing the limit, requisite actions must be taken and reported to the board. Furthermore, the

		<p><u>Department must promptly report to the Chairperson and take necessary actions, followed by presenting a special report to the latest Board for review and recordation.</u></p> <p><u>If there are offsetting gains or losses from hedging positions on assets or liabilities, equal to the contract loss amount, they will not be subject to the above limit on loss amounts.</u></p>	<p>contract loss amount should be factored in alongside the profit and loss of hedged positions.</p>
7	<p>Ceiling of total amount of derivatives contracts</p> <p>The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any <u>currency hedging</u> should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.</p>	<p>Ceiling of total amount of derivatives contracts</p> <p>The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example <u>(including but not limited to)</u>, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after</p>	<p>To meet the company's hedging requirements, adjustments are made to broaden hedging operations beyond foreign exchange categories, accompanied by textual refinements.</p>

		execution.	
8	<p>Division of authority and duties</p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	<p>Division of authority and duties</p> <p>(1) Finance Department is responsible for building hedging strategy and negotiation, as well as setting up quarterly case-specific hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and other relevant indicators and data and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position, and other relevant indicators and data at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	As in Article 7
10	Finance Department shall evaluate the financial institution with better condition, and engage in derivative trading within the agreement after getting the approval of President and Chairperson.	Finance Department shall evaluate the financial institution with better condition, and engage in hedging transactions within the agreement after getting the approval of President and Chairperson.	As in Article 7.
12	Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to	Finance Department shall make trading slip and details regarding hedging transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and	As in Article 7.

	President for approval.	details and submit to President for approval.	
13	The balance from the derivative trading shall be settled by the Finance Department immediately.	The balance from the hedging transactions shall be settled by the Finance Department immediately.	As in Article 7.
15	Internal Control 1. Internal Control (1) Derivative commodity trading personnel and personnel involved in confirmation, delivery, and other operations shall not hold dual positions. Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making. (2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record. (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty. (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.	Internal Control 1. Internal Control (1) Derivative commodity trading personnel and personnel involved in confirmation, delivery, and other operations shall not hold dual positions. Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making. (2) Trading personnel shall submit trading slip to confirmation personnel for record. (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty. (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set	As in Article 7.

	<p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance. “Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(Below Omitted)</p>	<p>under these Procedures.</p> <p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance.</p> <p>“Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(Below Omitted)</p>	
18	<p>Enforcement and history</p> <p>The Procedure was enacted on March 19, 1999.</p> <p>The 1st amendment was made on June 13, 2003.</p> <p>The 2nd amendment was made on June 8, 2006.</p> <p>The 3rd amendment was made on June 25, 2013.</p> <p>The 4th amendment was made on June 27, 2017.</p> <p>The 5th amendment was made on June 26, 2018.</p> <p>The 6th amendment was made on June 27, 2019.</p> <p>The 7th amendment was made on August 26, 2021.</p>	<p>Enforcement and history</p> <p>The Procedure was enacted on March 19, 1999.</p> <p>The 1st amendment was made on June 13, 2003.</p> <p>The 2nd amendment was made on June 8, 2006.</p> <p>The 3rd amendment was made on June 25, 2013.</p> <p>The 4th amendment was made on June 27, 2017.</p> <p>The 5th amendment was made on June 26, 2018.</p> <p>The 6th amendment was made on June 27, 2019</p> <p>The 7th amendment was made on August 26, 2021.</p> <p>The 8th amendment was made on June 20, 2024.</p>	Add amendment date.

Appendix 1

Sino-American Silicon Products Inc. Rules and Procedures of Shareholders' Meeting

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Any change to the convention method of the Company's shareholders' meetings shall be resolved by the board of directors, and no later than mailing the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. However, where the Company's paid-in capital of NT\$10 billion or more as of the last day of the most recent fiscal year, or aggregate shareholding percentage of foreign investors and Mainland Chinese investors of 30% or more as recorded in the shareholders' register at the time a regular shareholders' meeting is convened in the most recent year, the electronic files shall be transmitted 30 days prior to the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The agenda handbook and meeting supplemental information in the preceding paragraph shall be provided to the shareholders for reference on the date of the shareholders' meeting in the following manners:

1. For the physical shareholders' meeting, such information shall be distributed at the site of the meeting.
2. For the video-assisted shareholders' meeting, such information shall be distributed at the site of the meeting, and transmitted to the video conference platform as electronic files.
3. Where a shareholders' meeting is convened in the manner of video conference, such information shall be transmitted to the video conference platform as electronic files.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any

shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in the manner of video conference, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the Company convenes the video shareholders' meetings, the restrictions of convention location in the preceding paragraph do not apply.

Article 6

The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The time during which shareholder attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time the meeting commences. The shareholders accepted are deemed to attend the shareholders' meeting in person.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing

eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company accepts the sign-in cards turned in by shareholders instead of the attendance book.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference shall register with the Company at least two days prior to the meeting date.

Where the Company convenes the video shareholders' meetings, the Company shall upload the agenda handbook, annual reports and other related information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the time the meeting commences, and retain the disclosure of such until the meeting ends.

Article 6-1

Where the Company convenes the video shareholders' meetings, the meeting notice shall specify the following matters:

1. The method for shareholders to attend the video conference and exercise their rights.
2. The handling method when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents, and the follows shall be at least included:
 - (1) Time and date for the postponement or re-convention when the aforesaid continual failure cannot be eliminated and thus a postponement or re-convention is required.
 - (2) The shareholders who have not registered to attend the first shareholders' meeting via video conference must not attend the postponed or re-convened meeting.
 - (3) Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting could not be continued, if the total attending shares still meet the statutory quorum for shareholders' meeting commencement after deducting these shares held by the shares attending the meeting via video conference, the meeting shall continue; the shares held by the shareholders attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.
 - (4) The handling method where the results of all proposals are announced but the extempore motions have not proceeded.
3. Where the Company convenes the video shareholders' meetings, the proper alternatives provided for the shareholders having difficulties attending in the manner of

a video conference shall be specified.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

Article 8

The Company shall make an audio and video recording of the shareholders meeting.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where the Company convenes the video shareholders' meetings, the Company shall record and retain the records of the registration, enrollment, acceptance, inquiries, voting, and the results of vote calculation, and continuously record the video conference thoroughly, both audio and video.

The records and audio- and video recordings in the preceding paragraphs shall be properly retained during the Company's survival period, and the audio- and video recordings are provided to the organizer of the video conference for custody.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the

attendance book and sign-in cards handed in and shares registered at the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment on the video conference platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference shall register again with the Company per Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on the proposals in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account

name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference may inquire with text at the video conference platform of the meeting since the chair announces the meeting commencement till the adjournment. No more than two inquiries shall be raised for each proposal, and the maximum length is 200 words. Paragraphs 1 to 5 are not applicable.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or in visual communication network, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, shareholders shall vote by poll. After the conclusion of the meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference shall vote via the video conference platform for each

proposal and election after the Chairman declares the meeting commencement. Such voting shall be completed before the Chairman declares the end of voting; anyone who misses the deadline is deemed giving up their right.

Where the Company convenes the video shareholders' meetings, the votes shall be calculated at once upon the end of voting declared by the chair and announce the results of voting or elections.

Where the Company convenes the video-assisted shareholders' meetings, the shareholders who already have registered to attend the meeting in the manner of video conference pursuant to Article 6, but then intend to attend the off-line shareholders' meeting in person, shall withdraw the registration in the same manner of registration two days prior to the shareholders' meeting date; these who miss the deadline may only attend the shareholders' meeting in the manner of a video conference.

Those who exercise the vote in the manner of writing or electronic method, without withdrawing their expressions of intents, and attending the meeting in the manner of video conference, other than the extempore motions, must not exercise the votes to the original proposal, propose any amendment to the original proposal, or exercise the votes to the amendment to the original proposal.

Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where the Company convenes the video shareholders' meetings, other than the matters to be recorded as required in the preceding paragraph, the starting and ending time of the shareholders' meeting, convening method of the meeting, names of the chair and record-keeper, and the handling methods when the video conference platform or participation in

the manner of video conference fails due to force majeure, such as natural disasters or incidents.

Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties attending in the manner of video conference.

Article 16

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shares attended by shareholders in writing or electronic way and shall make an express disclosure of the same at the place of the shareholders meeting. Where the Company convenes the video shareholders' meetings, the Company shall upload aforementioned information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the time the meeting commences, and retain the disclosure of such until the meeting ends.

Where the Company convenes the video shareholders' meetings, the total shares held by the shareholders attending the meeting shall be disclosed on the video conference platform. If the total shares and voting rights of the attending shareholders are counted during the meeting, the same applies.

Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting

within five days in accordance with Article 182 of the Company Act.

Article 19

Where the shareholders' meetings are convened in the manner of video conference, the Company shall, in real-time, disclose the voting result of each proposal and election results at the video conference platform for the shareholders' meeting, and retain the disclosure at least 15 minutes after the chair declares adjournment.

Article 20

When the Company convenes the video shareholders' meetings, the chair and the record-keeper shall be at the same location in Taiwan.

Article 21

Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convention specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to natural disasters, incidents, or other force majeure, the date of the shareholders' meeting postponed to, or re-convened shall be within five days, and Article 182 of the Company Act shall not apply.

Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders who have not registered to attend the first shareholders' meeting via the video conference must not attend the postponed or re-convened meeting.

For the meeting is to be postponed or re-convened as specified in Paragraph 1, the shareholders who registered to attend the original meeting via the video conference, and have completed the acceptance, but do not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting right and election right, shall be counted into the total shares, voting rights, and election rights of the attending shareholders in the postponed or re-convened meeting.

The postponement or re-convention of shareholders' meetings conducted per Paragraph 1 needs not again discuss and resolve the proposal that has completed voting and vote calculation, with the announcement of voting results, or the list of elected directors.

Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting is discontinued as specified in Paragraph 1 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convention of the meeting per Paragraph 1 is not required.

Under the circumstances to continue the meeting as specified in the preceding paragraph, the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders but deemed abstaining from all proposals in the concerned shareholders' meeting.

Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 1, the pre-requisite operations shall be conducted based on the original

shareholders' meeting date, and pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed on the date of the postponed or re-convened shareholders' meeting per Paragraph.

Article 22

Where the Company convenes the video shareholders' meetings, the proper alternatives shall be provided for the shareholders having difficulties attending in the manner of video conference.

Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effective in the same manner.

Article 24

The Rules of Procedure for Shareholders Meetings is approved on June 23rd, 2022.

Appendix 2

Sino-American Silicon Products Inc. Articles of Incorporation

Chapter I. General Provisions

Article 1

This Company is duly incorporated under the provisions set forth in the Company Law, and its full name in Chinese language is 中美矽晶製品股份有限公司, and Sino-American Silicon Products Inc. in English language.

Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing
C801990 Other Chemical Materials Manufacturing
IG03010 Energy-related Technology and Service
F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)
F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)
F401010 International Trade
A101020 Growing of Crops (restricted to areas outside Hsinchu Science Park)
A102020 Agricultural Products Preparations (restricted to areas outside Hsinchu Science Park)
A102050 Crops Cultivation (restricted to areas outside Hsinchu Science Park)
A102060 Food Dealers (restricted to areas outside Hsinchu Science Park)
A199990 Other Agriculture (restricted to areas outside Hsinchu Science Park)
A301030 Aquaculture (restricted to areas outside Hsinchu Science Park)
A301040 Recreational Fishery (restricted to areas outside Hsinchu Science Park)
A302010 Overseas Fisheries Cooperation (restricted to areas outside Hsinchu Science Park)
A302020 Fisheries Service (restricted to areas outside Hsinchu Science Park)
A399990 Other Fisheries (restricted to areas outside Hsinchu Science Park)
C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food (restricted to areas outside Hsinchu Science Park)
CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
D101060 Self-usage power generation equipment utilizing renewable energy industry
E601010 Electric Appliance Construction
E603010 Cable Installation Engineering
F101050 Wholesale of Fishery Products (restricted to areas outside Hsinchu Science Park)

F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products (restricted to areas outside Hsinchu Science Park)

F213040 Retail Sale of Precision Instruments (restricted to areas outside Hsinchu Science Park)

H703100 Real Estate Leasing (restricted to areas outside Hsinchu Science Park)

I101070 Agriculture, Forestry, Fishing and Livestock Consulting (restricted to areas outside Hsinchu Science Park)

I103060 Management Consulting

I301010 Information Software Services

I301030 Electronic Information Supply Services

IG01010 Biotechnology Services (restricted to areas outside Hsinchu Science Park)

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

1. Silicon-based semiconductor materials and their components
2. Varistor
3. Photovoltaic and communication materials
4. Silicone Compound
5. The technology, management and advisory business related to the products listed above
6. Photovoltaic system integration and installation services
7. Import-export activities related to the above mentioned business

Article 3

The Company may make reinvestment.

When the Company reinvests in another Company, the total amount of the Company's reinvestment can be more than forty percent of the Company's paid-up capital.

Article 4

The Company is headquartered in Hsinchu SBIP and may have branches or offices set elsewhere domestically and abroad as resolved by the Board of Directors and competent authorities of the government.

Article 5

Public announcements of the Company shall be duly made in accordance with the Company Law.

Article 5-1

The Procedures are the guidelines for the Company to provide endorsement and/or guarantee to outside parties who has business relationship with the Company.

Chapter II. Capital Stock

Article 6

The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether the unissued shares to be issued.

Among the total capital stock indicated in the first paragraph, the number of shares 20,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond.

The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive treasury shares in accordance with the Company Act.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive share subscription warrant.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to purchase new shares issued by the company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive restricted stock issued by the company.

Article 7

The Company may not print share certificates. Registers of share certificates shall contact the share certificates' depository and clearing organizations, which the process shall follow their policies and regulations.

Article 8

All the Company's stock-related affairs shall be dealt in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant regulations.

Article 9

Share transfer registration shall be suspended 60 days preceding each regular shareholders' meeting, or 30 days preceding an extraordinary shareholders' meeting, or 5 days preceding the base day for distribution to shareholders of dividends, bonuses, or other privileges as determined by this Company.

Chapter III. Shareholders' Meeting

Article 10

The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal year in accordance with the Company Law or relevant regulations. An extraordinary meeting, if necessary, shall be convened in accordance with the Company Law or relevant regulations.

Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the Board of Directors.

The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of an extraordinary meeting of shareholders. The written or electrical notice shall bear date, location, and subjects of the meeting.

The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.

The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11

A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf. The powers of attorney shall be duly handled in accordance with "Regulations Governing Powers of Attorney Used for Attending the Shareholders' Meeting of Public Offering Companies" in addition to the requirements set forth in Article 177 of the Company Law.

Article 12

Unless otherwise provided for in the Company Law, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Article 13

Unless otherwise provided in par. 3 of Article 157 of the Company Law, shareholders shall have one vote for each share they hold, but the Company has no voting power for shares held by itself in accordance with Art. 179 of the Company Law.

Article 14

When the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case of the Chairman's absence or unavailability, his proxy shall be the Vice Chairman.

If the Vice Chairman's position is in vacancy, or the Vice Chairman is also absent, the Chairman shall, in advance, appoint a director to act in his place, but if the Chairman does not appoint his representative, one director shall be elected from among them to act in Chairman's place. In the event that the shareholders' meeting is convened by others instead of the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

Article 15

Minutes of shareholders' meeting shall be proceeded subject to Article 183 of the Company Act.

Chapter IV. Directors and the Audit Committee

Article 16

1. The Company shall have 7 to 13 directors to be elected at the shareholders' meeting by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law. All directors shall serve for a term of three years and shall be eligible for re-election. The total shares held by all directors and supervisors shall be in compliance with the relevant regulations provided by the securities authority.
2. The aforesaid directors must have at least three independent directors. The professional qualification, shareholding, part-time job limitation, nomination and election method and other requirements for independent directors shall be handled in compliance with the relevant regulations provided by the securities authority.

Article 16-1

The Company shall establish an audit committee according to Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.

The composition of the audit committee, duties, rules, and other related affairs shall be conducted in accordance with regulations issued by the securities institutions.

Article 17

More than two-thirds majority of Directors shall attend the meeting for the Board of Directors, and Chairman and Vice Chairman shall be elected among directors by a majority vote of the attending directors. Chairman shall represent the Company.

Article 18

In the case that vacancies on the Board of Directors reach or exceed one third of the total number of the directors, the Board of Directors shall convene an extra shareholders' meeting to fill such vacancies within 60 days. The new directors or supervisors shall serve only the remaining term of the predecessors.

Article 19

Each director shall be informed via written notice or email or fax of the convention at seven days before the Board of Director's meeting. A meeting of the Board of Directors may be held anytime if necessary, and the methods of informing each director shall be via written notice or email or fax.

Unless otherwise provided for in the Company Law, resolutions in the Board of Directors meeting shall be adopted by a majority vote in the meeting attended by a majority of Directors.

Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his/her proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

Article 20

If the Chairman takes leave or is unavailable to perform his duties, the proxy method shall be in accordance with the Company Law.

Article 21

Remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, their remunerations for those positions shall be paid monthly in accordance with the common remuneration level of general managers.

Article 22

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

Chapter V. Management of the Corporation**Article 23**

The Company shall have several managers whose appointment, discharge and remuneration shall be in accordance with the Company Law.

Article 24

The Company shall employ accountants and lawyers through the Board of Directors as consultants if need be. The remuneration for those consultants will be determined by the Board of Directors.

Chapter VI. Accountings

Article 25

The Company's fiscal year starts from January 1 and ends on December 31 of every calendar year.

Article 26

The Company's earning distribution or coverage would be concluded once every half of the fiscal year.

Article 26-1

The company shall submit the business report and financial statements to the Audit Committee for verification before the end of the second half of the fiscal year when the company has proposal of earning distribution or coverage. After the verification, the Board of Directors will discuss and make the decision.

As for the proposal of earning distribution, the decision shall be discussed and made by the Board of Directors when the distribution will be given in cash; the decision shall be discussed and made by the shareholders when the distribution will be given with new stock.

Article 26-2

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present it at a regular meeting of shareholders for acknowledgement.

- i. Business report
- ii. Financial statements
- iii. Proposal of earning distribution or loss coverage.

Article 27

If the Company has surplus after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors. Employees entitled to bonus may include parents' or subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.

Article 27-1

If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors.

The Company, in accordance with No.240-5 of the Articles of Incorporation, may authorize the distributable dividends and bonuses in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total

number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.

When the same amount of special reserve allocated from the beginning unappropriated retained earnings is insufficient to cover the accumulation of net deduction from other equity interest, to allocate special reserve from beginning unappropriated retained earnings plus net income and account from other comprehensive income.

Article 27-2

The Company, in accordance with No.241 of the Articles of Incorporation, may authorize the distributable legal surplus reserve and capital reserve in whole or in part to be paid in new stock issuance or in cash according to the proportion of the shareholding of shareholders. Distribution in cash shall be determined after a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting. Distribution in new share issuance shall be determined after a resolution at the shareholders' meeting.

Chapter VII. Supplementary Provisions

Article 28

Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Law.

Article 29

This Articles of Incorporation is established on Dec 25, 1980.

The 1st amendment on May 21, 1984.

The 2nd amendment on July 20, 1984.

The 3rd amendment on June 26, 1987.

The 4th amendment on Nov 16, 1987.

The 5th amendment on Aug 4, 1989.

The 6th amendment on May 29, 1990.

The 7th amendment on June 14, 1991.

The 8th amendment on June 23, 1993.

The 9th amendment on May 30, 1995.

The 10th amendment on Nov 3, 1997.

The 11th amendment on June 12, 1998.

The 12th amendment on June 16, 1999.

The 13th amendment on Sep 7, 1999.

The 14th amendment on May 23, 2000.
The 15th amendment on May 21, 2001.
The 16th amendment on June 21, 2002.
The 17th amendment on June 13, 2003.
The 18th amendment on June 24, 2004.
The 19th amendment on June 3, 2005.
The 20th amendment on June 8, 2006.
The 21st amendment on June 21, 2007.
The 22nd amendment on June 19, 2008.
The 23rd amendment on June 3, 2009.
The 24th amendment on June 15, 2010.
The 25th amendment on June 17, 2011.
The 26th amendment on June 27, 2012.
The 27th amendment on June 25, 2013.
The 28th amendment on June 26, 2014.
The 29th amendment on June 28, 2016.
The 30th amendment on June 27, 2017.
The 31st amendment on June 27, 2019.
The 32nd amendment on June 24, 2020.
The 33rd amendment on August 26, 2021.
The 34th amendment on June 23, 2022.
Implement after approvals from the meeting of stockholders.

Appendix 3

Sino-American Silicon Products Inc. Policies and Procedures for Financial Derivatives Transactions (before amendment)

Article 1

Scope of application

The Company shall follow the Policies and Procedures when doing financial derivatives transactions. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules and regulations.

Article 2

Definition (1)

The term "derivatives" in these Procedures means products such as Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

Article 3

Definition (2)

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

Article 4

The types of derivatives that may be traded

Derivative products that the Company can buy or sell include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.

Article 5

Transaction principle and guideline

The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The instruments shall meet the Company's actual hedging needs.

Article 6

The loss ceiling on total trading and for individual

Loss limit of "Hedge-oriented transactions" is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate.

Article 7

Ceiling of total amount of derivatives contracts

The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.

Article 8

Division of authority and duties

- (1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.
- (2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.

Article 9

Authorization

- (1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.
- (2) The amount exceed US\$500 thousand or equivalent foreign currency on each transaction shall be approved by Chairperson.

Article 10

Finance Department shall evaluate the financial institution with better condition and engage in derivative trading within the agreement after getting the approval of President and Chairperson.

Article 11

Public Disclosure of Information

- (1) The Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.
- (2) When losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

Article 12

Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to President for approval.

Article 13

The balance from the derivative trading shall be settled by the Finance Department immediately.

Article 14

The accounting handling towards the Company's derivative transactions will be conducted in accordance with the requirements of the General Acceptable Accounting Principles and the relevant Financial Accounting Principle Statement. The accounting of derivatives transactions entered into by the Company shall be processed pursuant to the Statements of Financial Accounting Standards No. 14 "Accounting for Financial Instruments".

Article 15

1. Internal Control

- (1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.
Related risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
- (2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.
- (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.
- (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.

2. Risk Management

- (1) Credit risk
Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or professional brokerage house to avoid default risk.
- (2) Market Risk
Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.
- (3) Liquidity Risk
Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- (4) Operation Risk

The Company shall comply with the authorized trading amount and the rules of operating process in order to avoid the operating risk.

(5) Legal Risk

Any legal documents with banks in respect of financial derivative transactions shall first be reviewed by in-house and/or outside legal counsel before being executed to control legal risk.

(6) Cash flow Risk

Source found for derivative transaction shall come from the Company's own funds. Operational fund for next three months should be taken into consideration when deciding transaction amount.

3. Periodic evaluation

(1) The Finance Department shall assess market prices and evaluate hedging performance. "Hedge-oriented" amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.

(2) The designated personnel appointed by the Board of Directors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.

(3) Senior management personnel authorized by the Board of Directors shall monitor the trading and profit and loss situation. When any irregularity is discovered, senior management personnel authorized by the Board of Directors shall report to the Board of Directors. The Board of Directors shall have the independent Director(s) attend and express an opinion.

(4) The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this Article shall be recorded in detail in the log book at least 5 years.

Article 16

Internal audit and penalties

An internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing. Manager and dealers shall follow the procedures when doing derivative transactions, if any violation to the procedure or relevant regulations, he/she shall be punished in accordance with Personnel Evaluation Committee regulations.

Article 17

Implementation and amendment

After the procedures have been approved by more than half of all Audit Committee members, this

shall be submitted to the board of directors for a resolution and be implemented after approved by a shareholders' meeting; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit his/her dissenting opinion to shareholders' meeting for discussion.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 18

Enforcement and history

The Procedure was enacted on March 19, 1999.

The 1st amendment was made on June 13, 2003.

The 2nd amendment was made on June 8, 2006.

The 3rd amendment was made on June 25, 2013.

The 4th amendment was made on June 27, 2017.

The 5th amendment was made on June 26, 2018.

The 6th amendment was made on June 27, 2019

The 7th amendment was made on August 26, 2021.

Appendix 4

Sino-American Silicon Products Inc. Shareholding of Directors

1. The total amount of shares of the Company is 586,221,651 shares. The minimum shareholding ratio of all directors is 4%, and the minimum number of shareholding is 18,759,092 shares in compliance with the Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.
2. The company has established audit committee, the regulation of supervisors’ shareholding numbers is not applicable.
3. The Company discloses the shares held by Directors in the shareholder’s register as of April 22, 2024 as the table shown below.

Position	Name	Shareholdings	Note
Chairperson	Hsiu-Lan Hsu	2,971,085	
Vice Chairperson	Tang-Liang Yao	2,980,395	
Director	Ming-Kung Lu	11,025,000	
Director	Wen-Huei Tsai	3,006,191	
Director	Feng-Ming Chang	6,000,000	
Director	Kai-Chiang Company	2,150,000	Representative: Hau Fan
Director	Kun-Chang Investment Co.	2,202,100	Representative: OW Edward Andrew
Independent Director	Chin-Tang Liu	0	
Independent Director	Hao-Chung Kuo	0	
Independent Director	Shao-Lun Li	0	
Independent Director	Chien-Yung Ma	0	
Total		30,334,771	Reach Statutory Percentage

Appendix 5

Other Statement Items

Explanatory notes for the proposal at the annual general shareholders' meeting:

1. Pursuant to the Article 172-1 of Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, and the proposal is limited to one. In case of violation of the above matters, it will not be included in the motion.
2. Submission period applicable to common shareholders of SAS starts from April 13 to April 23, 2024. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.